THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 23, 1940

Wang-Nippon Organs Attack U.S. Policy

An Editorial

Shanghai: Key to U.S. Trade

BY JOHN AHLERS

The Puppet Show in Nanking

U.S. Presidential Possibilities

BY WILBUR BURTON

Rome-Moscow Rapprochement Rumored

An Editorial

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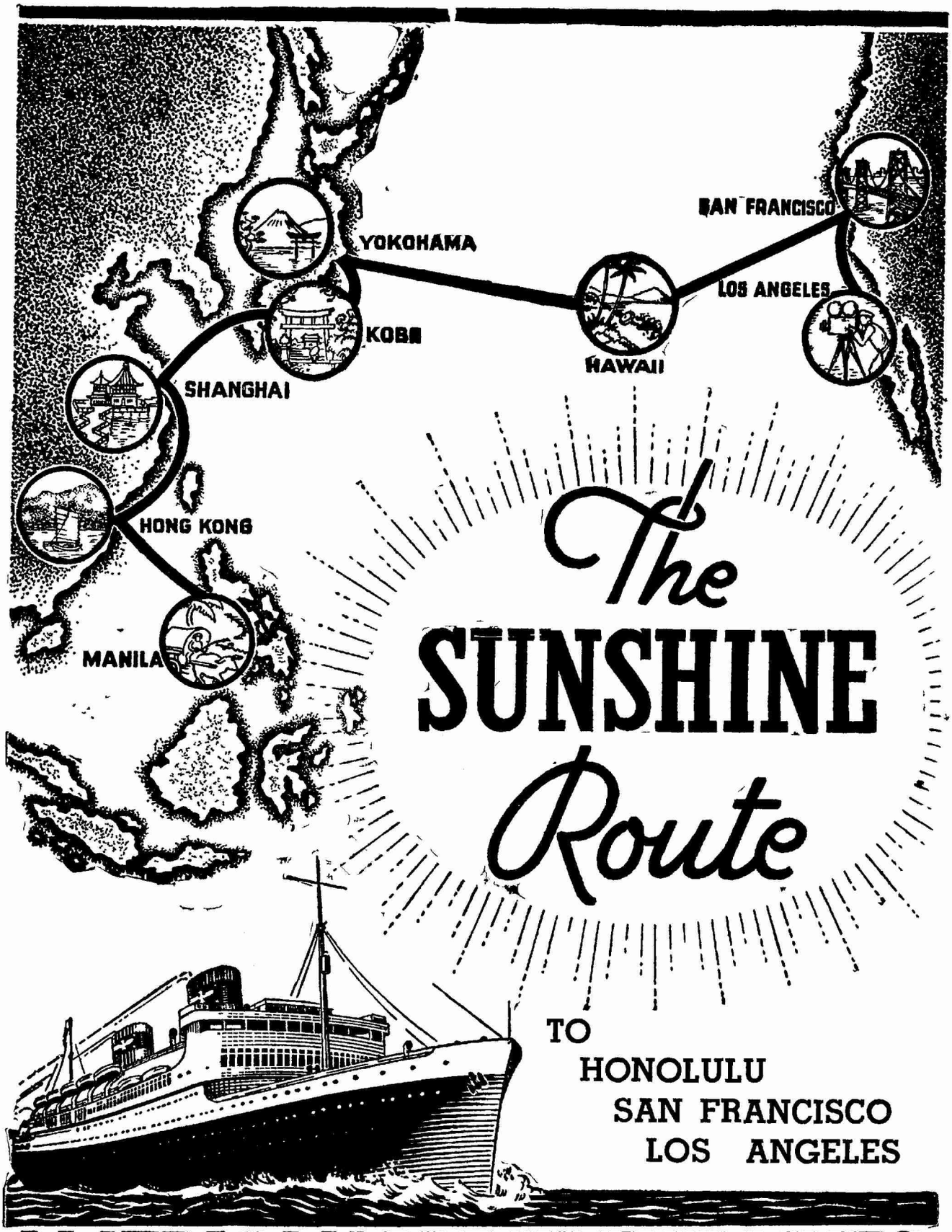

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

WAR AND DEMOCRACY

To the Editor:

Having finished reading the "Interview with Mao Tse-tung" appearing in your issue of Jan. 13 by Mr. Edgar Snow, I feel the necessity of writing this to you on behalf of—at least, myself, despite of my poor English.

In the first place, it seemed to me that Mr. Mao had distorted the truth by saying "All the people and parties of China want to conclude the period of tutelage (under the Kuomintang) ....One party dictatorship has aroused discontent in the whole nation." The fact of the case, so far as I know, is that all people except traitors are giving their supports to the Central Government which is under the leadership of Gen. Chiang.

Secondly, Mr. Mao had repeatedly alleged that "democracy" was necessary for our resistance to Japanese invasion, saying, according to the report, that "Democracy is necessary for successful resistance to Japan.....Unless democracy is realized there can be no victory in the anti-Japanese war....Resistance and Democracy are the two edges of a single sword." I wonder if there is any proof for his claim. To my knowledge, in any country that is at war, democracy, among other things, suffers more or less. Take Britain, France, those democratic countries for example. When are they more democratic?.... now or pre-war time? Perhaps Mr. Mao meant something other than I think. More explanations from Mr. Mao are needed. Anyway, "victory depends on democracy" is a new theory, to me.

In conclusion, I have to say that I am neither a member of Kuomintang nor Communist Party. I simply voice what I think is right. From the standpoint of a citizen of China, I earnestly hope that every leader of any party will cooperate with the Central Government frankly and friendly in our life-and-death struggle. It is only by uniting as one can we secure the final victory.

W.L.Y.

Chengtu, Szechwan,
March 2, 1940

VILLAGES OF PEACE

To the Editor:

There are now in the important cities in the Province of Chekiang many so-called "Villages of Peace," a sort of enlarged concentration camps for the prisoners of war, who are mostly Japanese. In each village there is a special dormitory, the size of which depends upon the number of prisoners, an assembly hall, a social room, a dining room, a reception room, a washing room, a lavatory, a village hospital, a good playground and a small library.

Life in those villages is, within certain limits, very free, comfortable and happy. The prisoners are fed three times a day. A Japanese cook is usually engaged for them. Candies and cigarettes are freely distributed to them from time to time. The prisoners meet each other and chat with one another freely. They correspond with their homefolks in Japan and often write to their wives or sweethearts There is no censorship of mails on the Chinese side. The censorship on the Japanese side, however, often prevents the mails from reaching their final destination.

As we went around some of these villages one day, we found five Chinese servants who had been given a sort of dumb-injection by Japanese military officers in some occupied areas and were unable to speak. They were engaged to serve the Japanese prisoners. One of them had his tongue badly cut by a Japanese soldier. Two of them could write their names, but the other three could neither speak nor write. They are known to the villagers as "Fatty Dumb," "Old Dumb," "Little Dumb," etc. instead of by their real names. While they were still in Japanese-occupied areas, they were forced to fight under the puppet banner. Later, they were captured by the Chinese army and set free.

CHANG CHEN-HWA

Kinhua, Chekiang,
March 3, 1940

ANTI-WANG CHING-WEI

To the Editor:

Our Number 1 Traitor Wang says that the prolonged resistance will bring about our extinction. Is the secret agreement as alleged to have been signed by him at Shanghai last December 30 not detrimental to our existence? After a perusal of the contents of this secret agreement anybody possessing a little common sense will readily recognize that the acceptance of this pact means the downfall of our country and extinction of our race. The prolonged resistance may bring in its wake terrors and hardships to the masses, but will eventually bring about the downfall and ruin of our enemy likewise, though we are not sure of our ultimate victory. If we accept the peace terms as signed by Wang, we are doomed to be slaves of our enemy forever without any hope of freeing ourselves, just as Formosans and Koreans. Furthermore the resistance of the past two and a half years, especially the recent victories scored by our armed brethren in northern Hunan, northern Kwangtung and southern

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS and HOH CHIH-HSIANG, *Assistant Editors*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

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Kwangsi, have convinced us once more that our enemy can never beat us to our knees by force, no matter how long this undeclared war may be prolonged.

An honorable peace will not be forthcoming until and unless our enemy has been exhausted. It is too foolish and dreaming for anybody still to think that a peace can be attained without impairment of our sovereignty even after the disclosure of the Japan-Wang secret agreement. It is also too obvious that Japan attacks us simply because she wants us to be her slaves, while we resist simply because we refuse to be her slaves.

K. T.

Kanhsien, Kiangsi,
February 16, 1940

A FALSE REPORT

To the Editor:

I beg you kindly to help us refute a rumor which appeared in Wang Ching-wei's paper, the **Central China Daily News** (Chung Hwa Jih Pao), defaming us, the staff of Commercial Press, Ltd. The paper reported that we had cabled to Mr. Wang Ching-wei supporting his so-called "Peace movement". This report is absolutely baseless. We advise our fellow-citizens to be careful of reports appearing in the said paper.

J.H.C.

c/o The Commercial Press,
211 Honan Road, Shanghai,
March 18, 1940

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, March 20, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$15.68

Demand buying rate on New York: U.S.$1.00—Sh.$15.38

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AMERICAN STOCK AND COMMODITY QUOTATIONS

March 19, 1940

STOCKS

Amer. Locomotive	19⅛
Amer. Waterworks	8⅞
Anaconda Copper	28¼
Bethlehem Steel	73⅞
Chrysler	85⅞
Elec. Bond & Sh.	5¾
Gen. Motors	53½
Goodyear T. & R.	23
Gt. Nthrn. Rly., pfd.	23
Lockheed Aircraft	28⅞
Mont. Ward	53
N. Y. Central	15¼
Texas Corp	44⅞
U. S. Steel	54⅞

COMMODITIES

New York Cotton, May	10.48/48
New York Rubber, May	18.33/33
New York Hides, June	13.61/63
Chicago Wheat, May	103/102⅞
Chicago Corn, May	56⅛/56
New York Sugar, No. 4, May	1.54B/55A

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JAPANESE AND WANG ORGANS HERE ATTACK AMERICAN POLICY

AMERICANS, American interests and the activities of American citizens in China, for the first time in about 70 years, are being subjected to a general anti-American propaganda which is being conducted through the radio and press.

The propaganda is largely centered at Shanghai but has appeared elsewhere in Japanese-occupied territory. Although inspired by the Japanese military authorities from the background, the actual directors of the anti-American radio and press attacks are propagandists in the pay of the Wang Ching-wei regime.

While the authors of anti-American articles which have appeared in the *People's Tribune*, *Central China Daily News* and other organs of the Wang regime have remained anonymous, some hint as to the directing genius appeared in a report of the *China News Agency* (also a Wang organ) on Monday evening of this week. The report was an interview with Tang Leang-li, who styled himself "Vice-Minister of Publicity" of the new regime. Tang is a Netherlands Indies-born, German-educated Chinese who has served as director of Wang Ching-wei's propaganda in the English language for several years. He fled from Shanghai at the time of the Japanese occupation of this city in 1937 but returned several months ago when Wang Ching-wei deserted his government and joined the Japanese Army's "peace movement" here.

In his interview, which was circulated to the foreign and Chinese press on Monday evening, Mr. Tang referred to the "extraordinary behavior of American diplomats" in Europe who were charged with "dodging about from capital to capital, canvassing enmity against Wang Ching-wei and the National Government in process of reorganization at Nanking." This apparently referred to President Roosevelt's emissary, Sumner Welles, who has been investigating the possibilities of peace in Europe and who has been interviewing statesmen in Germany, Italy, Britain and France. Tang Leang-li said that Mr. Welles had been "canvassing enmity against Wang . . . for no other apparent reason than because Wang's government was working for the interests of China and the Chinese people and had refused to imitate Chungking in subordinating those interests to the interests of America and other imperialistic countries and refused to fight for America's interests as opposed to the interests of the Chinese people."

Further in his interview Mr. Tang declared that his articles had been designed to "demolish the fairy tales about the traditional friendship of America and to show the Chinese people what the true United States' attitude had been since the Treaty of Wanghia in 1844." Coming down to the present he charged that articles in the American press criticizing Wang Ching-wei's sell-out to the Japanese Army were part of a "campaign of prejudice made up of shameless lies and deliberate misrepresentation."

Referring to the policies of the new puppet regime to be established in Nanking, Tang declared that it "would meet friendship with friendship and hostility with hostility . . . . unless we have to bow before *force majeure*." This apparently referred to the American Marines in Shanghai, for he called attention to the presence of "unwanted and unnecessary foreign troops which were enabling certain foreigners and also a number of Chinese renegades to carry on seditious activities directed against the legitimate territorial sovereignty of China in a manner undreamt-of in other countries." Recently it had been rumored that the American Marines were planning to close a number of gambling houses and opium-smoking joints which had been established in the Marine "sector" by agents of the Japanese and puppet administrations.

According to *United Press* (also subjected to attack by the Wang propagandists) the *Hsin Min Pao*, official organ of the Japanese puppet regime in Peiping, also launched a campaign against Americans who were accused (with Britain) of "urging Chungking to fight Japan and supplying money and munitions to help the guerrillas." The puppet newspaper in Peiping also charged that the American Government, as well as the governments of Britain, France and the Soviet Union, "are sponsored by Jews." The paper declared that "friendly Japan has vowed to establish the new order at any cost."

While the Japanese-inspired, puppet Chinese-executed anti-American campaign has been in progress for some time, the present animosities of the leaders of the Wang Ching-wei regime—on the eve of its inauguration—apparently are due to the refusal of any foreign government to extend recognition. The Wang group, as well as their sponsors in the Japanese Army headquarters, apparently had counted on recognition by Hitler and Mussolini, but even the Japanese have announced their intention of holding off "for at least a month."

The anti-American radio propaganda has been broadcast chiefly from the Japanese station "XOJB" which has its office in the Hardoon Building on Nanking Road. This station broadcasts news reports, much of which are of an anti-American character, about four times daily, in the Mandarin, Shanghai and Cantonese dialects.

The propaganda distributed by the *China News Agency* has been directed chiefly against American loans to Chungking and alleged American pressure on European Governments to prevent them from recognizing the new puppet regime, shortly to be established in Nanking. On March 9 the agency distributed a report claiming that 16 Chinese organizations in Shanghai and vicinity had sent an open telegram to President Roosevelt, protesting against the recent U. S. $20,000,000 credit to the Chinese National Government at Chungking. None of the organizations named as participating in the dispatch of the telegram was listed in any local directory, hence all were thought to be fictitious.

On March 3 the Wang news agency circulated another attack on President Roosevelt's traveling ambassador, Sumner Welles, who was then in Berlin. The Wang news organ alleged that conditions in Europe worsened each time Mr. Welles visited a European capital, but the real motive of the anti-American outburst was indicated in the allegation that "the United States is trying to obtain for herself the leading position in the Far East by utilizing the conflict in Europe, hence one wonders what America will give Germany as reward for her efforts in this connection!" Continuing, the article declared, "despite all these efforts, America's dream of utilizing the new situation in Europe to force Japan

to accept her terms will not be realized . . . . Japan might consider the offer for mediation by Germany and Italy . . . . but Japan will never give up her leading position in the Far East to America. . . . . Under no conditions will Japan permit the United States to take over the position formerly held by Britain as 'master' of the Pacific . . . . Japan will not hesitate to go to war if this point is insisted on by America . . . . Germany and Italy may bargain with America over the Far Eastern issue, but they will not go beyond the limit of displeasing Japan . . . . since they still entertain the hope of concluding an alliance with Japan and the Soviet Union."

In another article referring to the recent trip of the American Ambassador and other American officials to Chungking, the Wang Ching-wei news organ declared that "under no circumstances will China and Japan accept America's terms for peace and consider the United States as 'master' in the Far East." This article also denounced the Nine-Power Treaty on the ground that it failed to guarantee anything . . . . Peace and order in the Far East can only be established after a war in Asia. The old order was maintained by the Anglo-Japanese Alliance and the 'new order' is being created by China and Japan, following the present conflict . . . If America wants to establish 'an order' in the Far East, she must go to war with Japan."

Another publication which recently has printed attacks on American policy in the Far East is the *Voice of New China,* published in Nanking. This paper referred to the abrogation of the Japanese-American commercial treaty as a "piece of Rooseveltian effrontery against a friendly state . . . . but no matter what Roosevelt or his successor may do or say, Japan will proceed with her immutable policy to found a New Order, because the prestige of the Yellow Race is also at stake . . . . the climax in American-Japanese relations has been reached after a great deal of preliminary maneuvering on the part of the present Washington administration which has demonstrated a hypocrisy and perfidy which may well have been taken out of the dusty shelves of 10 Downing Street."

Another Japanese organ, a pocket-size journal known as *East Asia Review,* issued in Shanghai, has also published occasional attacks on Americans, a recent issue containing an article criticizing American missionaries for opposing Japanese policy with respect to opium and narcotics.

WOULD CONTROL FOREIGN PRESS

Propagandists connected with the Wang group recently formulated a plan, to be put into effect after the formation of the new government in Nanking, to establish control over foreign as well as Chinese newspapers in Shanghai and elsewhere in Japanese-occupied territory. Under the plan—proposed by Tang Leang-li—a single government-owned news agency would be formed which would receive and distribute all news. All foreign news agencies such as *Reuters, United Press, Havas, Transocean* (but not *Domei*) would be dissolved and their work taken over by the new agency which would have its headquarters in Nanking and would be a joint Sino-Japanese enterprise. Mr. Tang stated that the foreign news agencies would be paid for their reports received here from abroad, but that all distribution in China would be controlled from Nanking. Tang stated that the new Nanking regime would provide quarters and would appoint and pay a correspondent who would be stationed in Nanking. Later, Mr. Tang said that an exception might be made in the case of newspapers in Shanghai, "pending rendition of the foreign settlements."

The foreign news agencies were reported to have rejected the proposal of the new "Vice-Minister of Publicity," but reports from Nanking stated that steps were being taken to form the new government agency which would have charge of the distribution of news, foreign as well as domestic, within Japanese-controlled territory. The set-up is said to resemble conditions in Manchukuo where a government-controlled news agency, operated in close association with the Kwantung branch of the Japanese Army, monopolizes the receipt and distribution of news.

Australia "Reaches Out" to The Orient and to America

THE recent appointment of the American Consul-General at Shanghai, Clarence E. Gauss, as the first United States Minister to Australia, has stimulated interest in the triangular trade and diplomatic relations of these three widely-separated, but intimately related, sections of the world's surface. Perhaps this is what was intended, because Mr. Gauss will take to Australia a comprehensive knowledge of the Far East and its relations with the Occident, subjects which are of intense interest to the New Nation—Australia—at this critical stage in the relations of nations.

V. G. Bowden

That Australia is closely following developments in the Far East was indicated in a recent broadcast of the Rt. Hon. Robert Gordon Menzies, Attorney General and Minister for Industries of the Commonwealth of Australia, since 1934 and on April 4, 1939 commissioned as Prime Minister of the Commonwealth. Mr. Menzies specifically included China among the countries with which he hoped Australia "would establish increased diplomatic contacts as soon as conditions would permit."

V. G. Bowden, the Australian Government Trade Commissioner in China, in a recent address in Shanghai on the occasion of a dinner in honor of Mr. Gauss given by the Sino-Foreign Association, said that the idea of appointing a Minister to the United States had been developing for four or five years. Mr. Bowden said that the status of virtual independence had been attained by the Australian Commonwealth, following the Imperial Conference in London in 1926. On that occasion the Government of the United Kingdom announced that it would no longer exercise the right to veto Dominion legislation or pass legislation binding the Dominions. Even in war the United Kingdom no longer requires the Dominions to become belligerents without their consent.

Quoting from Premier Menzies, Mr. Bowden declared that in the Pacific, "we have primary responsibilities and primary risks. While it is necessary, in connection with European affairs, for us to be guided by Britain's knowledge and for us to be affected by her decisions, the situation is different to a considerable extent in the Pacific. What Britain calls the Far East, is to us the 'Near North.' I have become convinced that in the Pacific Australia must regard herself as a principal providing herself with her own information and maintaining her own diplomatic contacts with foreign powers. I do not mean that Australia is to act in the Pacific as if it were a completely separate Power. We must, of course, act as an integral part of the British Empire and have the fullest consultation and cooperation with Britain, South Africa, New Zealand and Canada.

"But all these consultations must be on the basis that the primary risk in the Pacific is borne by New Zealand and Australia. With this in mind, I look forward to the day when we will have a 'concert of Pacific powers,' which will be pacific in both senses of the word. This means increased diplomatic contact with the United States, China and Japan—and also the Netherlands East Indies and other countries which fringe the Pacific."

Referring further to Premier Menzies' statement, Mr. Bowden said that it had been decided to immediately appoint a Minister to Washington and it went without saying that the Government intended to appoint men to such positions who had wide experience and prestige in Australia and who possessed a wide knowledge of Australian political and economic affairs.

Mr. Bowden stated that output of industrial plants in Australia had increased five times in the past 30 years. Americans had participated extensively in Australian industry and were taking a prominent part in the development of the aviation and automobile industries.

Shanghai—Key to America's Trade with China

BY JOHN AHLERS

AMERICAN traders with China should carefully watch developments in Shanghai municipal and other affairs as well as the pending establishment of the Wang Ching-wei regime. The bulk of what remains of the United States' China trade today is concentrated in Shanghai. China imports from and exports to U.S.A. never before centered to the present extent in the Whangpoo city. Every change in the Shanghai situation and in the hinterland's regime is bound greatly to affect American trade interests out here.

China, during the first month of this year, imported from the United States goods valued at Customs GU 7,069,000, while dispatching to U.S.A. $40,032,000 worth of commodities. This trade gave the United States large shares of 18.40 per cent in China's imports, and 24.79 per cent in the country's exports. The port of Shanghai accounted for almost four-fifths of this trade. Local imports from U.S.A. in January, 1940, were valued at GU 5,271,000 and formed 75 per cent of all China imports from the United States. Shanghai exports to U.S.A. during the same month totalled $34,404,000, forming 85 per cent of all commodity shipments from China to the U.S.A.

Shanghai accounted for all of the increase in Chinese-American trade during January, 1940 as compared with January of last year, viz. for $30,000,000 in exports to, and GU 1,800,000 in imports from the United States. Shanghai, alone among all China ports, this year shows the continuation of a small volume of shipping (69,300 tons in January, 1940), under the Stars and Stripes, which has been reduced to the insignificant share of but 3.5 per cent in the foreign shipping of the China coast.

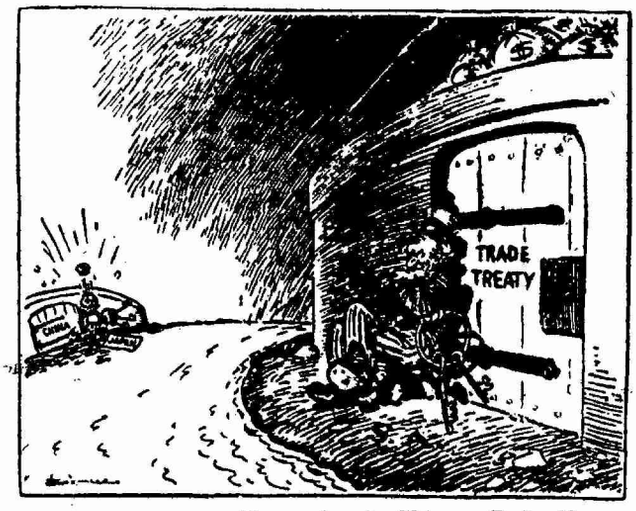
By far the most important article in U.S. exports to China at present is raw cotton. The U.S. cotton export subsidy and unfavorable effects of the European war upon Indian cotton helped North American cotton to regain its former leading position in the raw material supply of China's cotton milling industry. In January of last year, China imported from U.S.A. 1,200 tons of cotton as against 8,200 tons of Indian, Egyptian and Brazilian cotton. In January, 1940, however, China purchased 8,400 tons of U.S. cotton as compared with 1,880 tons of other foreign cotton. U.S. cotton exports to China increased seven times. Today, the U.S.A. covers 70 per cent of China's, and 75 per cent of Shanghai's demand for foreign cotton. Again, it is the Shanghai cotton industries which account for practically all China's cotton imports from the U.S.A.

China imported in January, 1940, GU 2,793,000 worth of American cotton, whereof GU 2,620,000 entered the country via Shanghai, chiefly for local consumption. These cotton imports formed 40 per cent of China's total importations, and exactly half of Shanghai's total imports from the U.S.A. As a result of the Sino-Japanese war, especially the trade and exchange control measures and general anti-western trade discrimination in the Nippon-controlled areas of China, American commercial intercourse with China today is much less diversified than prior to the war. Cotton, tobacco, mineral-oil products and metals together today account for roughly 75 per cent of all China imports from the United States.

Importations of oils and fats, chiefly mineral oils, from U.S.A. to China in January, 1940, were valued at GU 828,000, whereof only GU 218,000 was imported via Shanghai. As compared with the year before, there was a heavy reduction in imports of American kerosene. A still larger reduction of GU 510,000 was experienced in imports of American leaf tobacco, which during the month under review was valued at GU 821,000. All of this tobacco entered China via Shanghai, accounting for 90 per cent of Shanghai's, and 80 per cent of all China's tobacco imports. A substantial increase of GU 323,000, on the other hand, boosted the January value of China imports of U.S. metals to GU 798,000, most of which sold in Shanghai. This increase was due, in the first place, to a rise by GU 256,000 to GU 436,000 in China sales of American tinned plates, and in the second place to Shanghai purchases of GU 114,000 worth of American nail-rods, a line of trade practically extinct a year ago.

Other American goods imported by China in January, 1940, were listed by the Chinese Maritime Customs as follows:

U. S. Also Closes a Door



Shoemaker in Chicago Daily News

	All China	*Shanghai*
Vehicles	GU 442,000	GU 146,000
Machinery	„ 205,000	„ 86,000
Dyes, paints	„ 196,000	„ 151,000
Chemicals	„ 184,000	„ 162,000
Foodstuffs	„ 148,000	„ 78,000
Metalware	„ 128,000	„ 93,000
Timber	„ 125,000	„ 13,000
Paper	„ 81,000	„ 71,000
Hides	„ 53,000	„ 15,000

Shanghai's overwhelming share in these imports from the U.S.A. is striking, especially in chemicals, dyes, metalware and paper. In the former two groups, American products of late months made remarkable import advances, chiefly in replacement of German goods which due to the war in Europe no longer pour into the Far East in the former quantities. Thus the United States in January, 1940 was able to more than double its local sales of aniline dyes, as compared with the first month of last year. In sulphur black, imports from the U.S.A. increased 40 times. In Shanghai's total imports of dyes and paints, the U.S.A. acquired the substantial share of 27 per cent.

In the field of vehicles, the United States continued to supply 75 per cent of Shanghai imports, but only 47 per cent of the imports of all of China. Japanese competition is slowly but steadily increasing. The U.S.A. in January of this year sold in China 131 motor cars and buses valued at GU 154,000, as compared with 28 such vehicles worth GU 22,000 supplied by the Japanese. In motor tractors and trucks, however, 119 imported American tractors and buses were confronted with 217

Japanese vehicles, the value of American and Nipponese imports being about the same. In parts of motor vehicles, the Japanese accounted for half the import value from the U.S.A. The China paper market was completely dominated by made-in-Japan products, except for the small item of drawing, bank-note and document paper in which the U.S.A. maintained the leading import share of 67 per cent (93 per cent in Shanghai).

China exports to the United States during the month under review were still less diversified than imports from the U.S.A. Of the total of $40,032,000 worth of such exports, textiles alone accounted for $25,688,000, i.e. over 60 per cent. Raw silk valued at $19,634,000 formed the bulk of these textiles exports, and half of all China exports to U.S.A. The remainder was contributed by woollen carpets, cotton socks and stockings, fly and

Threats and Cajolery

Chungking paper depicts Uncle Sam being "squeezed" by a Japanese snake labeled, "Opening of Yangtsze," while the Nine-Power Treaty is being trampled on the ground.

waste cotton, sheep and camel wool, and goat hair. Practically all textile exports to the U.S.A. went via Shanghai. January, 1940, however, was an exceptional month for silk inasmuch as New York paid Shanghai for raw silk as high as U.S.$4 per lb. There has since been a 35 per cent decrease in New York prices for China silk, and no early repetition of the January record silk export totals is to be expected.

The second place in Chinese exports to U.S.A. continues to be held by animal products. January exports in this group were valued at $4,861,000 and contributed to total exports to U.S.A. about 12 per cent. By far the most important article in this field were bristles ($2,998,000), followed by pig intestines and egg products. Exports to U.S.A. of $3,239,000 worth of skins and furs, chiefly lamb skins, ranked in the third place. Other exports worth mentioning were straw braids ($1,407,000), medicinal preparations ($1,050,000), vegetable oils ($988,000) and fiber hats ($585,000). Except for straw braids, the bulk of all these goods left China via Shanghai.

The balance of Sino-U.S. trade continues to be in favor of the United States. As expressed in American currency, China's January imports from the U.S.A. aggregated U.S.$4,785,713 while Chinese exports to the U.S.A. totalled but U.S.$3,122,528. China experienced in its commercial intercourse with the U.S.A. an import surplus of U.S.$1,663,185.

U. S. Presidential Possibilities

BY WILBUR BURTON

MUCH is at stake in the current campaign for the presidency of the United States, but it must not be taken quite as seriously as the speeches and statements on either side might indicate. Whether President Roosevelt runs again and is re-elected, or not, the foundations of American democracy will remain no more or less firm than they are today—for a president can exercise no more, if as much, power in a third term than he could in a first term. A third term under present conditions would simply be a break with an outworn tradition, and nothing more. And if a Republican should be elected, that in itself would not mean the abandonment of the fundamental part of the New Deal; it would simply be given a different name and continued in another form, although—and here is something vital at stake—a personally reactionary president, Republican or Democratic, might so sabotage what has been done that there would be a dangerous period of retrogression.

But as a prime principle it may be said that one of the greatest merits of democracy as a form of government is that its success does not depend either upon precise programs or earth-shaking leadership. It consequently operates slowly and often muddledly, but wherever it has existed as a going political concern it has led to the most humanitarian social progress in history.

In the United States, the administration of President Roosevelt has initiated the fourth major period in our political development and the current campaign will be made clearer by sketching them briefly. The first was the period from Washington to Jackson, when the country was not yet a democracy, but a federation of oligarchic states run entirely by holders of property. In declining a third term, Washington set for his time a very valid precedent, for it was very necessary under prevailing conditions and concepts to establish a tradition against any person either having too much power or holding it too long, and no other checks were then established except on paper.

The second period was from Jackson to Lincoln, when democracy began to develop as a going political concern through the exercise of universal male suffrage (excepting in the South) by an increasingly literate and politically conscious citizenry. Jackson also forcefully and forthrightly enunciated the principle that "the Union must and shall be preserved," and Abraham Lincoln—with a humanitarian vision and a singleness of essential purpose that have been all too rare in history—inaugurated the third period of our political annals by crushing once and for all the retrogressive "right of seccession." The Union was preserved, the Balkanization of the United States was prevented, and this may be set down as the major American political accomplishment.

It was also in the administration of President Lincoln that the West was opened to small settlers, each of whom could possess himself of a sufficiency of good land by working it with his own hands, and this combined with the then almost limitless economic possibilities of all kinds kept the country going pretty well for most people in terms of living until the depression of 1929. It was an era of rugged individualism, marked by many crudities and cruelties, but either the average or median standard of living was the highest in the world, excepting probably Scandinavia.

It took a few years of severe depression for enough people to realize that the old order was played out, and

that changed conditions made necessary new measures of social control. The result was the New Deal of President Roosevelt, beginning with his inauguration in 1933—when every bank in the United States was closed.

To appraise the New Deal is beyond the scope of this article. Suffice to say that it is a democratic attempt, successful in some appreciable degree, to direct and control the national economy in the interests of the average man, and to alleviate the distress caused by capitalistic rugged individualism. And while a New Deal for the United States, it is simply an old deal in the older democracies.

"It represents," as the conservative—Tory—*London Times* once remarked, "a conscious and deliberate effort to bring the United States abreast of the times by a program of moderate social and economic reform. With the possible exception of the work-relief program and the regional planning experiment by the T.V.A., there is little in the New Deal which has not long been accepted as normal political administration in Great Britain and in other North European countries."

In the Running

Left, Attorney General Thomas E. Dewey of New York, who is being groomed as the Republican nominee for President. Right, Paul V. McNutt, Federal Securities Administrator, and possible Democratic choice. McNutt was at one time Governor of Indiana and later U.S. High Commissioner to the Philippines.

Further, in the opinion of the Tory *Times*: "The Roosevelt administration will take its place in American history as the most determined, prolonged, and successful struggle for liberal reform in the last 100 years of the life of the republic."

American conservatives are much more backward than British conservatives, as I have observed first-hand in both London and New York, but there can't be any complete abandonment of the New Deal unless there is Fascist reaction, Bolshevik or Nazi, which would mean the end of democracy. The question at issue this year, and which the sovereign voters must answer in November, is who will carry it on. Democracy, unfortunately, provides no assurance of determining who would carry it on best.

Whether President Roosevelt will run again is a question only he can answer, and it is altogether possible that he has not yet made up his own mind on the subject. He is undoubtedly the most widely popular political figure of modern times in the United States, though hated with pathological intensity by a reactionary minority. Physically he has not only survived his wracking office well, but has apparently thrived upon it. There is the tradition against a third term, however, which is a potent factor, although rationally shorn of its initial validity.

For practical political reasons, President Roosevelt can't announce his position until near or at the time of the Democratic convention without endangering his leadership of the party. Already there is a bitter anti-Roosevelt faction in the party, led by Vice-President John Nance Garner of Texas, and a party split looms should Roosevelt be renominated.

Garner himself has shown in his 71 years of life fewer qualifications to be president than any other person now under consideration. A fair view of him was once vouchsafed to me, when I was previously in Shanghai, by the well-known Emporia, Kansas, Republican editor, William Allen White. Both Garner and White were among those present at a huge tiffin given by Mayor Wu Te-chen, and after the rice wine had long flowed freely a group of returned Chinese students started to demonstrate their American education by shouts of "Rah! Rah! Garner!"

White leaned over and said *sotto voce*: "Rah! Rah! Garner! God Save Roosevelt!"

Lack of qualifications, of course, does not prevent a politician from seeking the presidency, nor even from achieving it. But it appears most likely that the main role of Garner will be either to prevent the renomination of Roosevelt or to split the Democratic Party if he is renominated.

More likely Democratic nominees in case Roosevelt is not renominated, are Paul V. McNutt, Federal Security Administrator who formerly was Governor of Indiana and High Commissioner to the Philippines, and Secretary of State Cordell Hull. Of the two, 49-year-old McNutt is by far the most colorful figure. Hull's age, 69, is also somewhat against him. He has, however, many qualifications, especially in the currently important field of foreign affairs.

Postmaster-General James A. Farley, an exceedingly shrewd politician, is also mentioned, but he has the very serious handicap of being a Catholic. It may be recalled that Al Smith's Catholicism played a big part in his resounding defeat in 1928, and there is probably more opposition today than then to the Catholic Church. Liberals then refused to regard Catholicism as being necessarily anti-liberal, but the attitude since of the Catholic Church in both motion picture censorship and Spain has caused a pronounced change of feeling in these circles.

President Roosevelt has recently come under fire by appointing Myron Taylor as his representative to the Vatican with the rank of an Ambassador. The Federal Council of Churches did approve this step, but the religiously very liberal *Christian Century* called it "betraying the Protestant position." The purpose of the appointment was doubtless a very practical one of cooperating with the world's oldest and largest International in efforts toward European peace—and maybe, too, for the Vatican to exercise its influence in the Quirinal against possible Italian recognition of Wang Ching-wei, but reaction to it in the United States was far from generally favorable outside Catholic circles.

On the Republican side, the scramble for the nomination is much more open and intense than in the Democratic ranks, for there is neither a titular leader nor popular national figure. The so badly beaten nominee of 1936, Alfred M. Landon, has eliminated himself. Herbert Hoover is undoubtedly still hopeful of a comeback, but his name arouses many unpleasant memories of the days when he was president—days of ever-lengthening breadlines and crashing banks.

There was a Manhattan wisecrack in the 1932 campaign that "four more years of Hoover and Mahatma Gandhi will be the best dressed man on Broadway;" and these and similar mordant observations could and would be revived if "The Great Engineer" were again nominated.

Senator Robert A. Taft of Ohio, son of former President Taft, is credited at present with having 300 delegates out of 1,000 pledged to him in the Republican

"No Soldiers, Madame"

The Philadelphia Inquirer

convention. "Prissy, solemn, ponderous," as *Time* recently described him, he is not a very impressive figure, and when I was last in Washington, D. C., about seven months ago, he was rated low by the press corps. He has strong conservative backing, however.

Thomas E. Dewey, the 38-year-old racket-busting prosecutor of New York City, is a much more popular figure than Taft, but his sole demonstrated qualification for the presidency so far is that he is a good lawyer. By many he was given better chances before the European war than since, because of a general feeling that someone with more experience than in racket-busting should occupy the White House during these critical times. Press dispatches indicate, nevertheless, that he made something of a public hit in a recent western speech-making tour.

A long-mentioned Republican possibility is Senator Arthur H. Vandenburg of Michigan. He has been in the Senate for the past 12 years, and while not a dramatic figure he us generally credited with a high order of intelligence and knowledge, especially in foreign affairs. He played a big part in the abrogation of the 1911 American-Japanese trade treaty, although he has since dissociated himself from the move to establish an embargo against Dai Nippon. But he has not committed himself to any definite policy to the contrary.

This exhausts the list of candidates on both sides who are now most frequently mentioned, but there are always the "dark horse" possibilities. Governor John W. Bricker of Ohio is one such on the Republican side, and Senator Bennett Champ Clark of Missouri and Senator Burton K. Wheeler of Montana are two such on the Democratic side—in case Roosevelt is not re-nominated. Wheeler, indeed, has received considerable public mention, although he comes from a politically very poor state—that is, one which means little in election figures.

Of the possible candidates I have named, Roosevelt, Hull, McNutt, Wheeler, Hoover and Vandenburg are all quite familiar with foreign affairs. What Garner, Farley, Clark, Taft, Dewey or Bricker know about them, if anything, has never been revealed.

As pointed out in a previous article, it is unlikely that the election will have any decisive effect on foreign relations—unless there should be a strong isolationist sentiment registered in the selection of representatives and senators. Foreign policy is based upon such a complex interplay of so many factors that it is never greatly changed by changes in administration; I think it safe to say we would have entered the last World War just as quickly under Hughes as we did under Wilson—and perhaps more quickly. Wilson, however, had been re-elected, although by a very narrow margin, on the slogan "He Kept Us Out of War."

Only one of the candidates, McNutt, has clearly committed himself on any tangible aspect of foreign policy, and that is retention of the Philippines.

So far, it is indicated that the election will be fought more on domestic than foreign issues.

In 1936, after four years of the New Deal, the election returns were: Roosevelt 27,476,673; Landon 16,679,583. So if the Republicans are not aided by a split in the Democratic ranks, it would seem that they face quite a battle to change American sentiment sufficiently for victory—unless they can convince the voters that they will bring forth a bigger and better New Deal under some other name.

"No More Bombers, Thank You!"

Raemaekers in Amsterdam Telegraph

Japan's Problem—and Ours

Business Week, N.Y.

IN JAPAN, 1940 should be a year of rejoicing for it is the 2600th anniversary of the founding of the empire. Actually, the year is starting most inauspiciously. The Japanese are not a people to complain or to find fault with their government but there are unmistakable indications today that implicit belief in their ability to create a "new order" in the Orient has been severely shaken.

You see it in small things. A year ago few Nipponese questioned their government's ability to repay the money which it has borrowed to finance the "incident," and to repay it at its full purchasing power. Now the stores are choked with people eager to invest their earnings in something useful rather than in bonds or savings certificates.

Their worst fears have been fanned by the winter's developments. On Oct. 20, the government announced that it would fix prices on all major necessities and freeze wages at existing levels. Yet on Oct. 26, in the face of serious labor disorders, salary increases were permitted, and on Nov. 6, the price of rice, staple of life in Japan, was boosted another 13%.

December was unusually cold this winter, but not until Dec. 11 did the government ease the restrictions on the sale of fuel for heating business houses and government offices. Even at the Imperial Palace the heat was reported not to have been turned on until long after cold weather arrived.

Department stores, theatres, and cafés have had their gas supply cut as much as 30% since December, on top of a "voluntary" restriction of 30% observed by most patriotic establishments since Oct. 1.

On Dec. 19, the Electricity Board hinted that, unless the coal shortage was remedied, new power restrictions would be necessary before the winter was over. The proposed cut of an additional 5,000,000 kwh. a day in the country's two great industrial districts (Tokyo-Yokohama and Kobe-Osaka) would reduce power consumption to approximately 24% of normal capacity.

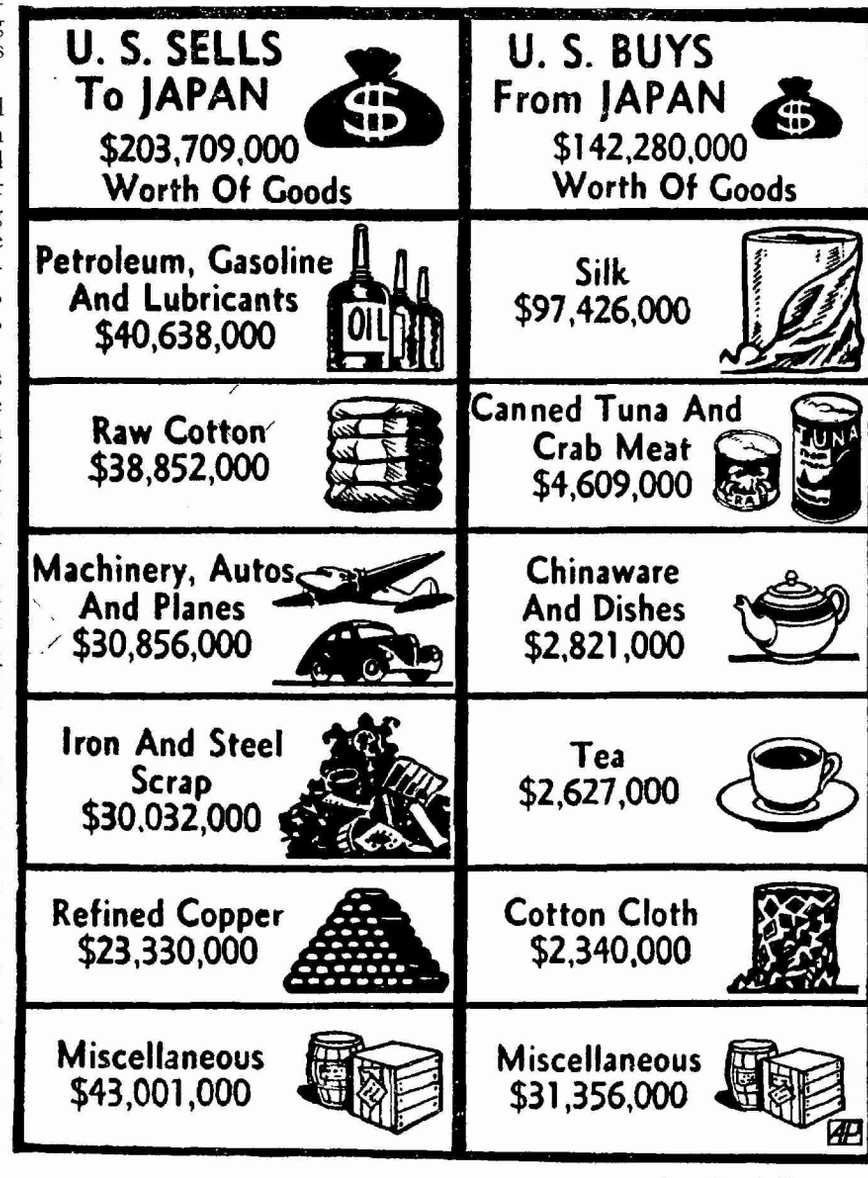
In a country where "face" is so important, it is only natural that the people have not taken lightly the diplomatic reverses in connection with the anti-comintern axis, and the lapsing of friendly trade relations with the United States. The sickening realization is spreading that Japan is without an important friend in the world.

Business leaders are beginning to lose confidence. Big 3-, 5-, and 7-year plans have been drawn up to show what the Japanese could achieve by foregoing an easy life and concentrating all available manpower and material on the job of constructing a "new order." But plans haven't materialized. The official index of mining production is falling. The figure for August—which is the last to be released, was 140.2 (based on the average of 1931-33), compared with 154.7 for the same month in 1938, and the peak of 177.4 in November, 1938. People are quite willing to forego new kimonos and shoes if heavy industrial output advances to take care of the technical and military sides of the construction of a "new order." In the early stages of the incident, it did so in an amazing way. But heavy industrial production is now on the decline, too.

The slump in agricultural output is perhaps the most alarming feature of Japan's war economy because of its psychological effects. The government blamed the weather for the poor crops, as it blamed a dry season for the shortage of hydroelectric power. But although

Embargo Would Hurt Japan More Than U.S.A.

(Figures in American currency)



Associated Press

As this chart indicates, what Japan buys from the United States is more important to her than what she sells us.

The figures are for the first 11 months of 1939. In that period, our imports from Japan increased $27,000,000 over the same period in 1938, the higher prices of raw silk accounting for most of the gain. In the same period, our exports to Japan dropped about $7,000.000. Part of this was due to the unofficial boycott on the sale of military aviation material. At the same time, big increases were shown in the sales of such war material as iron, steel scrap and copper.

the weather cannot be predicted for the next harvesting season, it is already apparent that 1940 crops are bound to be still poorer on account of the shortage evident in fertilizers and agricultural labor.

This is the sorry picture reported from Tokyo, as Japan faces its newest problem—the lapsing of friendly trade relations with Washington. What will come after Jan. 26, no one knows with certainty. What Tokyo realists fully understand is that they are coming to their greatest crisis in nine years of adventuring just when home morale is lowest.

This is the picture that we must keep in mind in the next six months of diplomatic and trade bargaining with Tokyo. It shows that we have the advantage, but it also suggests that if we play this advantage too hard we are likely to create a martyr complex among the Japanese which will drive them to extremes rather than help their conservative leaders recapture the helm.

Mrs. Young Works for Release of Husband from Japanese Jail

MRS. Marjorie Young, whose husband, James Russell Young, correspondent for *International News Service*, has been confined in a Tokyo jail for more than 60 days because of the displeasure of Japanese warlords at articles he wrote about the Japanese invasion of China, has been forced to go to a mountain resort for recuperation because of nervous strain resulting from anxiety over her husband's welfare. Mrs. Young was with her husband in their office and apartment at the Imperial Hotel in Tokyo on Sunday morning, Jan. 21, when police and gendarmes invaded their quarters and took Mr. Young to the Marinouchi police station for "questioning." He has since been confined in jail, under barbaric conditions, while being subjected to continuous questioning and grilling, apparently for the purpose of finding sufficient evidence upon which to justify police action in arresting him. Mr. Young's office and their apartment were thoroughly searched and all letters, carbons of news messages, matrices of King Feature Service, and printed materials were seized and taken to the police station for inspection.

In addition to the arrest and detention of Mr. Young, the Tokyo police and gendarmes (branch of the Imperial Army) required all Japanese newspapermen who had been associated with Mr. Young, including the publishers of papers receiving *International News Service*, to appear at the police station for extended questioning regarding their connections with Mr. Young. One young Japanese newspaperman, K. Fukuda, whose father is a prominent Tokyo publisher, was compelled to leave Tokyo for a considerable period. Mr. Fukuda, who is a Dartmouth graduate, had accompanied Mr. Young on his trip to China last fall and had traveled with him to Hongkong. It was suspected in Tokyo that the Japanese military authorities were using the Young case to intimidate all Japanese newspapermen and also businessmen who were in sympathy with the views expressed by Mr. Young and had talked with him following his return to Tokyo.

Jimmie's Wife

Mrs. James Russell Young, native of Mansfield, Ohio, who has worked indefatigably for her husband's release.

Late in February the Japanese police announced that Mr. Young had been indicated for violating the Army Penal Code and would be brought to trial. Mrs. Young was then permitted to see her husband and to employ counsel (three Japanese lawyers) for his defense. Mr. Young was also transferred to a more modern jail and was permitted to sleep on a bed, have clean clothing and take a bath, previously denied. His original treatment was similar to that accorded Japanese accused of "dangerous thoughts," otherwise seditious activities, and was so barbarous as to cause a member of the American Embassy to declare that the administration of justice in Japan was on a "mediaeval" basis.

The Japanese complaint against Mr. Young was based on an article which he sent to *International News Service* while on a trip through China last autumn. Most of the articles were similar to those filed by other American correspondents on the China front, except that they reviewed developments pertaining to the activities of the Japanese Army concerning treatment accorded to the Chinese, American and other third party interests, and the Army's racketeering activities in the promotion of gambling and the sale of narcotics.

The actual Japanese charge is of a technical nature and is based on Articles 2 and 3, Section 99 of the Army code (adopted in 1908) which pertains to the "fabrication of false rumors regarding Japanese military affairs." This curious Japanese military regulation makes it possible for the Japanese to arrest anyone for any statement, verbal or written, uttered anywhere in the world, should the person responsible set foot on Japanese territory or territory occupied by the Japanese Army in China. Most of Mr. Young's dispatches, to which the Japanese raised objection, were sent when Mr. Young was in the International Settlement, hence were not subject to Japanese military censorship, which is enforced throughout army-occupied territory in China. One particular dispatch which aroused the Army's "special displeasure" referred to the "gloomy winter" in Japan occasioned by the shortage of rice, coal and other necessities due to the financial and economic stringency caused by the Army's activities in China.

Although the Japanese announced that Mr. Young would receive a "public" trial, the public was actually excluded from the court room within seven minutes after the trial opened on March 11, on the ground that the hearing "might impair public peace and order." Mrs. Young, a representative of the American Embassy, and an American connected with the Tokyo Y.M.C.A. were permitted to remain in the court and observe the proceedings. The presiding Judge, Sanehiro Hotta, refused to permit a well-known Tokyo publisher to testify as to Mr. Young's ability as a newspaperman. A Japanese businessman was, however, permitted to testify as to Mr. Young's good character.

Mr. Young, prior to his appointment as Hearst's full-time correspondent and representative of King Feature Service, had served for about ten years as Business Manager of the *Japan Advertiser*, the American daily in Tokyo. Official control over the Tokyo press is so severe that B. W. Fleisher, publisher of the *Advertiser*, was afraid to print the story of Mr. Young's arrest and only referred to it obliquely in a society note two days after Mr. Young had been taken to the police station. The *Advertiser* also feared to publish any news article or editorial in defense of its former business executive.

Prior to Mr. Young's arrest the Japanese police at Kyoto arrested and held without trial for several weeks an American missionary, the Rev. Luther Tucker of Shanghai, because he had mailed to a friend in Tokyo a copy of a widely-circulated book which criticized the activities of the Japanese Army at the time of its occupation of Nanking in 1937. After considerable pressure from the American Embassy and numerous cables from influential Americans, including Thomas W. Lamont of J. P. Morgan and Company, Rev. Mr. Tucker was brought to trial, found guilty, and sentenced to three months in jail. The sentence was not carried out, however, on the consent of Mr. Tucker to leave the country. It was generally thought at the time that the real reason for the missionary's arrest was his action in holding conferences with Japanese students when questions were asked and answered regarding the activities of the Japanese Army in China.

Through a coincidence, the January number of *The Quill*, organ of Sigma Delta Chi, professional journalistic fraternity in the United States, published an interesting article by Mrs. Young under the title, "A Journalist's Wife in Japan." The article was published about the time of Mr. Young's arrest. In this article Mrs. Young told of a previous occasion when her husband had been subjected to questioning by the gendarmes because of something he had written about military developments in Nippon. Mrs. Young also referred to present-day restrictions in Japan occasioned by the Japanese Army's war on the Continent. She also told of the persecution of American and other foreign residents—and also tourists—by the police because of their innocent photographing of roads and streets and other objects. In one case the Japanese seized some suspicious photos, which they thought showed scenes of

military roads, but later were seriously embarassed to discover that the pictures were X-ray photos of the American's intestines which had been taken in a hospital. The American, owner of the photos (also the intestines), was released after he succeeded in getting the director of the hospital to certify as to the authenticity of the picture.

Mrs. Young also told of the ridiculous "anti-spy" exhibition at one of the leading Tokyo department stores. One of the exhibits consisted of a large draped picture of Ray Marshall, former *United Press* correspondent in Japan. The photo carried an inscription and advice to the Japanese public, "Do not trust foreign newspapermen or tell them your secrets." Another picture showed the inside of a railway train with a man seated reading a newspaper. The inscription read, "Do not trust a man reading a newspaper; he may be using the paper to shield his eyes while listening to your conversation." Another exhibit showed a man piecing together scraps of paper he had retrieved from a garbage can. The inscription was headed, "The garbage can ear," and warned workers in munition plants against throwing scraps of paper in waste baskets. A similar exhibit in Dairen, Manchuria, warned the public against spreading rumors and carried the inscription that a "Closed mouth led to good government." The people were also warned that the "walls had ears," hence rumors should not be repeated.

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The Rev. Mr. Watts, an Australian, and head of the Seamen's Institute in Kobe, a religious organization for the assistance of sailors of all nationalities, was sentenced on March 16 to pay a fine of Yen 5,000 for infringing the Japanese exchange regulations. The Rev. Mr. Watts was given the alternative of serving 200 days in jail at hard labor, but chose to pay the fine. Since the slump in the value of Japanese yen, due to inflation and lack of gold coverage, the Japanese have adopted stringent regulations to prevent travelers from taking "cheap" yen into Japan. The Japanese Government attempts to maintain the official rate of 4 yen for U. S. $1, but travelers—including large numbers of Japanese—are able to obtain from 12 to 15 yen for an American dollar in the free exchange market at Shanghai and from 8 to 10 yen for an American dollar in Honolulu. One traveler reported that he obtained 8 yen for an American dollar at a secret "black bourse" in the Imperial Hotel in Tokyo.

It was reported late in January that three Britons had been arrested in Tokyo and after detention for questioning for several days, had been released on bail on a charge of violating the exchange regulations. Those arrested included, aside from the Rev. Mr. Watts, H. J. Griffiths and V. O. Peters. The arrests were discussed in Parliament.

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The American Consul-General, C. J. Spiker, in Hankow, lodged a strong protest with the Japanese authorities in that city on Feb. 26 last, for interference with the mail of American citizens. The report (*Reuters* and *United Press*) stated that American residents of Hankow had been unable to receive copies of Shanghai newspapers and even private letters had been opened by Japanese censors in the Chinese Post Office. Magazines mailed to Americans in Hankow from the United States as well as Shanghai, had been intercepted, according to the reports. An American bookstore in Hankow had also been prevented from receiving stocks of magazines as well as books from the United States or agents in Shanghai.

Shanghai Americans and Britons Stage Primary Elections

The American and British communities in Shanghai are holding primaries this week to select candidates for the Municipal Council of the International Settlement. The Committee of the American Association, which has charge of the American primary, mailed ballots to all members of the organization, who are qualified to vote in Municipal Elections, on Tuesday, March 19. The ballots were mailed in registered envelopes to insure delivery—which method, incidentally, resulted in considerable delay as several members were reported to have failed to receive their ballots by 7 p.m. although they were placed in the mail before noon.

There was considerable criticism in the American community of the regulation in the by-laws of the American Association which requires membership in the Association in order to vote. The seriousness of the criticism was indicated in the fact that out of some 600 qualified American voters in the International Settlement, only 269, or less than half, were members of the Association. However, it was pointed out that membership in the Association is open to all American citizens, the only requirement being a contribution toward the Association's charity fund. The amount of the contribution is not specified, hence a contribution of $1 is sufficient to qualify for voting in the primary.

While all ballots are numbered, there is no requirement that hey should be signed by those voting.

The candidates whose names appeared on the primary ballot sent to American voters were, N. F. Allman, American attorney; J. W. Carney, member of Standard-Vacuum Oil Company and R. T. McDonnell, of William Hunt and Company. The two receiving the highest votes will be declared American candidates in the forthcoming Municipal Election. The Tellers are R. J. McMullen, J. R. Reed and J. T. S. Reed, while the officers of the Association's Municipal Election Committee are, Chairman, Major Arthur Bassett and Secretary, J. M. Howes.

Article 2 of the By-Laws of the American Association, referring to Municipal Elections is as follows:

Article 2—Municipal Elections

Section 1—The American Association Committee as a "Committee of the Whole" shall serve as the Sub-Committee on Municipal Elections.

" 2—Officers: A Chairman and a Vice-Chairman of the Sub-Committee shall be appointed by the Association Committee in the usual manner. Other officers desired, at least an Honorary Secretary, shall be elected by the Sub-Committee itself.

" 3—Duties. It shall be the duty of the Committee in connection with each Municipal election of the International Settlement to provide for the American Association a primary election in the following manner.

(*a*) At least six weeks prior to each Municipal Election the Committee shall secure from among the available and qualified American ratepayers a candidate for each vacancy on the Municipal Council with the consent of the individuals to the submission of their names as candidates for election as members of the Municipal Council of the International Settlement.

(*b*) The Committee shall, not later than four weeks prior to the Municipal Election, make public to the ratepayers of the American Association the names of the candidates so secured with due notice that the name or names of additional candidates will be received if presented to the Committee within ten days from the date of notice each bearing the recommendation of ten American ratepayers and will be added to the list of candidates to be voted upon in the Primary Election.

(*c*) If no additional nominations are received there will be no need for a Primary Election and the Secretary of the Committee shall proceed as stated in Section (g).

(*d*) If additional nominations are received, the Committee shall arrange for a Primary Election by the submission at least two weeks prior to the date of the Municipal Election, of the names of all the candidates alphabetically arranged, upon properly printed ballot forms, to each member of the American Association who is qualified to vote at the Municipal Election. A ratepayer shall be entitled to as many votes in a Primary Election as he would have at a Municipal Election. No absentee votes or proxies will be allowed.

(*e*) All such ballots shall be returned to the Secretary of the Committee within one week from the date of issue.

(*f*) The Committee shall appoint from among its members three Tellers whose duty if shall be to count the ballots received and report the result to the Honorary Secretary who in turn shall on behalf of the Committee make public to the American Association and to the communities of all other nationals the names of the two candidates receiving the highest number of votes. No other names or record of votes cast shall be made public.

(*g*) The Honorary Secretary of the Committee shall provide for the formal submission of the two names selected by either of the foregoing processes with a Proposer and a Seconder for each in the usual manner to the Secretary of the Municipal Council in preparation for the formal election of Municipal Council members.

The problem of selecting candidates in the British Community is even more difficult than in the American Community as the British voters must select five names from a slate of seven nominees. The British candidates are: George Arthur Haley, Imperial Chemical Industries; Roderick George MacDonald, Dodwell and Company; John Hellyer Liddell, Liddell Brothers and Company; George Edward Mitchell, Butterfield and Swire; Ranald George McDonald, Barrister-at-Law; Trevot Sidney Powell, Asiatic Petroleum Company; William Johnston Keswick, Jardine Matheson and Company.

The Municipal Elections are scheduled for April 10 and 11, while the annual meeting of Ratepayers is scheduled for April 17

Hitler and Mussolini Meet at Brenner Pass; Rome-Moscow Rapprochement Rumored

WITH the Soviet-Finnish war at an end, the pendulum of European affairs has swung sharply over to the field of diplomacy. War news during the past week has been featured by a proposal for a triple interlocking military alliance between Finland, Sweden and Norway to guarantee the new frontiers of Finland, a meeting at Brenner Pass between Chancellor Adolf Hitler of Germany and Premier Benito Mussolini of Italy, and a fresh visit to Rome by Mr. Sumner Welles, President Roosevelt's roving ambassador. The significance of these events is likely to become clear in the not distant future. Meanwhile, they are subjects of conjecture.

Finnish troops are withdrawing to lines set by the Soviet-Finnish peace treaty which was signed at Moscow on Mar. 12 and the cost of the 104-day war is being counted. According to a *Transocean* report from Helsinki, the Finnish Government estimates that the conflict has cost Finland 4,500,000,000 Finnish marks, this figure including the cost of mobilization as well as keeping the army in a state of preparedness prior to the hostilities, but excluding material damage wrought by the contending armies. What the war has cost the Soviets has not been estimated yet.

At Brenner Pass

St. Louis Post-Dispatch

The peace treaty was ratified by the Finnish State Council on Mar. 16. Two days earlier, Field-Marshal Baron Carl Mannerheim, Commander-in-Chief of the Finnish Army, issued an Order of the Day in which he disclosed at least one of the reasons which led Finland to capitulate to the Soviets. A maximum of two battalions of foreign troops were on their way to join the Finnish Army at the front when peace was made, he declared—but these troops could not reach Finland because Sweden and Norway refused them transit out of concern for their own safety. The Order went on to state that 15,000 Finns and 200,000 Russians had been killed during the three and a half months of the war. Fifteen hundred Russian tanks and 70 Russian airplanes were destroyed, it added.

A Proclamation by the Government said that peace with the Soviets was made by Finland "in the firm conviction that the nation would thus avoid a greater misfortune." Unity of the Finnish nation for the tasks of reconstruction was urged.

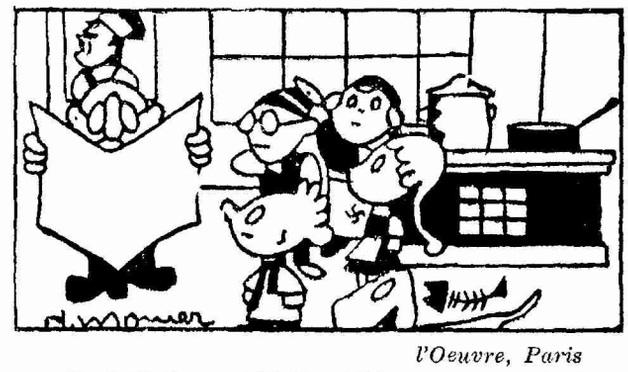
A *Reuter* report from Stockholm on Mar. 14 stated that the Soviet Government intends to create a Karelian Republic on the Isthmus which has been ceded by Finland, with Viipuri as the capital and Finnish Communists in Russia occupying the leading government posts. Among the latter—if Copenhagen rumors are to be believed—M. Otto Kuusinen, head of the puppet Finnish Government which Dictator Stalin set up at Terioki when hostilities began, will not be found. Kuusinen was said to have been executed soon after becoming head of the puppet government for giving the Kremlin misleading information about conditions in Finland prior to the commencement of the hostilities.

No one but the two dictators themselves knows what transpired at the Brenner Pass meeting between Chancellor Hitler and Premier Mussolini, which took place last Monday morning on Italian soil and lasted two and a half hours. No official communiques were issued and the world has been left to its own conjectures. Newspapers in Belgrade, according to the German *Transocean* agency, declared that the meeting presaged "a last attempt to save European peace," but the weight of conjecture was in another direction. A *United Press* report from Berlin on Mar. 19 quoted well-informed sources to the effect that the Brenner Pass meeting would produce a major surprise some time this week—the surprise being the announcement of a rapprochement between Rome and Moscow which would be designed to eliminate Anglo-French influence in the Balkans and the Near East. The *Basler Nachrichten* published Berlin reports to the effect that Germany, Italy and Soviet Russia were about to issue a combined declaration of their intention to preserve peace in the Balkans—and by this means, of course, draw those countries into the orbit of the totalitarian Powers.

Sumner Welles, President Roosevelt's roving ambassador, was in Rome again this week at the time of the Brenner Pass meeting between the German and Italian dictators and subsequently was received by Premier Mussolini and the Pope. The American envoy, it was believed, was told the substance of the Hitler-Mussolini conversation by the Italian Duce, and thus placed in a position to report fully to President Roosevelt on European prospects upon his return to the United States, which was scheduled for some time this week.

Reuter reports from Rome on Mar. 15 said that Italy was speeding preparations for war. Production of warplanes was being rushed and a vast collection of all available metal was in progress. All iron railings and gates were being taken down in the Italian capital for conversion into munitions, including railings around the Pantheon, the Bank of Italy, the Stock Exchange and the old Roman forums.

A spectacular Nazi air raid on Britain's naval base at Scapa Flow took place on Mar. 16. Fourteen German planes bombed the Fleet anchorage, damaged one warship, killed a civilian and wounded many others, the British Admiralty announced. These were the first



l'Oeuvre, Paris

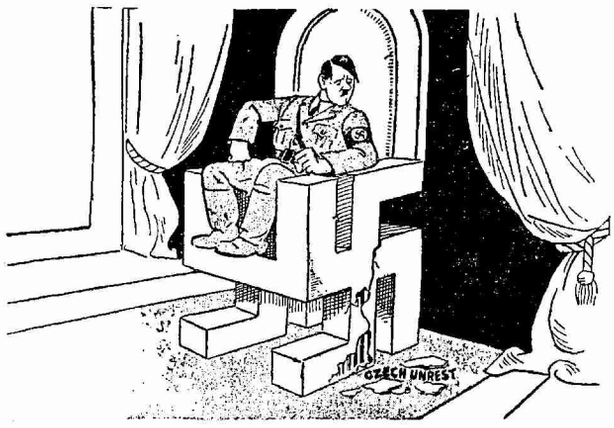
Nazi Father: "Well, children, our good Dr. Goebbels says France is suffering from a shortage of coffee!"

Children: "What is coffee father?"

civilian casualties of the war between the Allies and Germany and they casued the British press to launch a campaign demanding more vigorous prosecution of the war. Major Albert Doensch, commander of the Nazi bombing squadron, told pressmen in Berlin that his raiders scored direct hits with large bombs on the British battle cruisers Hood, Repulse and Renown. The British claimed to have shot down one German plane during the raid. Major Doensch, however, said that all the German planes returned to their base, although some were slightly damaged.

A more vigorous prosecution of the war by the Allies is also being demanded in France, according to

Beginning to Crumble



Strube in New York Times

German and neutral reports, and this is believed likely to result in a reshuffle of the French Cabinet. Rumor has it that Premier Edouard Daladier will shortly relinquish the portfolio of Foreign Minister (which he holds concurrently with the Premiership and the War portfolio) to M. Pierre Laval, who previously held the same Cabinet post. The right-wing *Action Francaise* declared last week that France needed a "military regime," meaning a military dictatorship. This was necessary for the prosecution for the war, the paper asserted, adding that a military dictatorship need not necessarily involve the abolition of Republican institutions.

Amritsar Massacre 21 Years Ago Echoed in London Assassination

TWENTY-ONE years ago, on April 13, 1919, General Dyer, commander of Brirish military forces at Amritsar in India's Punjab, gave an order to his men to open fire on thousands of unarmed Indian demonstrators. More than 200 fell dead or wounded before British gunfire. More shots were fired at rescuers dragging away the dead and wounded. After the shooting was over, General Dyer made leaders of the demonstration crawl on all fours before him to signify their submission to the British Raj.

The Amritsar massacre, as the incident became known, intensified the Indian independence movement and aroused world-wide indignation. In an attempt to appease the intensely-angered Indians and outraged world opinion, the British Government cashiered General Dyer from the Army and he died a short while afterwards in England. But the incident had an unexpected and belated repercussion in London last week when an Indian with a long memory and a good aim shot and killed Sir Michael O'Dwyer, who was Lieut.-Governor of the Punjab at the time the Amritsar massacre took place. It had been necessary to retire Sir Michael from the India Service when he submitted a report to the British Government in which he attempted to whitewash General Dyer. Until his death last week he had lived in comparative obscurity.

The echo of the Amritsar massacre was heard in Caxton Hall, London, on Mar. 13 at the close of a crowded meeting held under the auspices of the Indian Association. An Indian, whose name was subsequently given as Udham Singh, forced his way to the speakers' platform as the audience was about to disperse and opened fire with a revolver. Sir Michael O'Dwyer was killed on the spot. Wounded were Lord Zetland, Secretary of State for India, Sir Louis Dane, also a former Lieut.-Governor of the Punjab, and Lord Lamington, ex-governor of Bombay. The gunman was arrested and will be brought to trial.

No Room for Adolf

Glasgow Bulletin

In a dispatch from Amsterdam, the German *Transocean* agency asserted that the London shooting was a belated act of revenge for the Amritsar massacre, which was recalled in extensive and somewhat dramatized detail. This irritated the British *North-China Daily News* into writing an editorial significantly entitled "Pot and Kettle," in which the German massacre of the Herreros in South-West Africa, prior to World War I, was recalled. With characteristic impartiality, the Old Lady of the Bund omitted to mention that the British administration of the Union of South Africa, which fell heir to former German South-West Africa, completed or almost completed the extermination of the Herreros some time in the 'twenties. Nor did the Old Lady see fit to recall the infamous massacre of natives at Bulhoek, in the Cape Province, in 1921.

Perhaps the most astounding statement of the *N.-C.D.N.* was this: "It ill becomes the Nazis to rake up a story (Amritsar) out of which the British emerged with considerable credit, for they would be better employed examining their own very murky record." Indeed a case of Pot and Kettle—both of them black! The claim of "considerable credit" will hardly stand, however, in light of the cashiering of General Dyer, the recall of Sir Michael O'Dwyer, and the known circumstances of the shooting.

Mahatma Gandhi arrived in Bombay on April 11, 1919 to take up active leadership of the struggle for India's independence. This was the signal for countrywide demonstrations against British rule. Martial law had been clamped down and this led to riots. In Amritsar five Britons were killed and several buildings burned to the ground. Public meetings were prohibited, but on April 13, in defiance of this martial law edict, thousands of Indians gathered on the public square in a peaceful demonstration. In accordance with Gandhi's doctrine of non-violence, they came unarmed. Troops under Dyer formed a cordon around the square. Dyer ordered the demonstrators to disperse. The demonstrators instead began to pray. The order to fire was given—and obeyed. Then the frightful massacre ensued. This was the incident from which the British emerged with "considerable credit."

General Dyer, as he was described at the time, seems to have been a man of choleric disposition, excitable, lacking in restraint—much the same type as the British police officer who in the notorious May 30 incident of 1925 was responsible for the shooting of unarmed Chinese student demonstrators outside the Louza Police Station in Shanghai. The immediate effects of these two incidents were similar. Both caused nation-wide indignation and international protest, and—a deepening of growing nationalist movements.

Individual terror as a weapon for bringing about political or social change is utterly ineffectual, as has been amply proved on more than one occasion, and it usually calls down reprisals on those who employ it. Yet as long as bitter wrong to whole peoples persists there will be individuals who, impatient of the slow results achieved by organized political movements, will take bomb or revolver in hand to avenge the wronged.

It may be that Udham Singh was a survivor of the Amritsar massacre, or that someone he loved was among the victims. His deed recalls the assassination of a Nazi official in Paris by a young Jew named Grynzspan a couple of years ago, and the killing of the White Russian General Petlura by the young Jew Schwartzbard (also in Paris) a number of years ago. Grynzspan acted to avenge his parents who were being persecuted by the Nazis in Germany. Schwartzbard worked off a more ancient score—his whole family had been wiped out in one of the horrible pogroms which Petlura organized in the Ukraine during the civil war which followed the Bolshevik Revolution. The French court, moved to tears by Schwartzbard's tragic story, acquitted him. This action was applauded by the entire humanitarian world despite its disapproval of the method of individual terror. In the killing of the Nazi official in Paris some years later, there is also little doubt but that public sympathy on the whole was with Grynzspan rather than with his victim. Perhaps Udham Singh, too, will be regarded sympathetically. Fighters for freedom and avengers of wrong—even when they use bad and ineffectual methods—have been regarded with at least a sneaking admiration ever since that day of long ago when William Tell slew the tyrant Gessler.

Anglo-Japanese Silver Accord Said Reached

Reports of an imminent settlement of the long-drawn-out dispute between Great Britain and Japan over the custody and ownership of Chinese Government silver stored in the British Concession at Tientsin—one of the issues that led to the blockade of the Concession last year—were in circulation at the end of last week.

A tentative agreement was reached as a result of conversations between Sir Robert L. Craigie, the British Ambassador in Tokyo, and Mr. Masayuki Tani, Japanese Vice-Minister of Foreign Affairs, the German *Transocean* agency reported on Mar. 15 in a dispatch from the Japanese capital, quoting semi-official sources. According to the agreement, the report stated, silver in the amount of Yuan 13,000,000 would be placed under joint Anglo-Japanese control, while silver equivalent in value to £100,000 would be devoted to relief work in North China, the latter sum to be administered by an Anglo-Japanese commission to be created for the purpose.

Parleys with France

When the agreement is signed, the German report added, the Japanese Government is expected to open negotiations with France for the release of Chinese silver stored in the French Concession at Tientsin and said to be worth Yuan 32,000,000.

A complete agreement along the above lines was actually reached in Tokyo on Mar. 4, the Japanese newspaper *Yomiuri* reported Mar. 15, adding that a memorandum embodying the agreement would soon be signed and that the Japanese blockade of the British Concession in Tientsin would then be lifted.

According to a *United Press* report from Tokyo, also on Mar. 15, it was understood that full details of the Anglo-Japanese agreement on the silver issue would be published immediately after the establishment of the central puppet government in China under Wang Ching-wei's leadership.

The Japanese *Domei* agency, in a report from Tokyo on Mar. 16, supported other press reports of the imminent conclusion of an agreement on the silver issue, quoting "well-informed" sources to the effect that final stages of an understanding on the issue would be entered that day when Vice-Minister Tani met Sir Robert Craigie.

Words are Swallowed

A little later the same day, however, the agency was obliged to swallow its words and issue a statement by an unnamed Foreign Office spokesman in which all press reports of an imminent agreement were declared to be "without foundation." Discussions had been proceeding in Tokyo for some months, the spokesman reportedly said, but important difficulties still remained to be solved. This denial was curious in view of the fact that Mr. Yakichiro Suma, official Foreign Office spokesman, had told foreign correspondents the previous day—again according to *Domei*—that the silver discussions were "approaching their last stage."

These contradictory statements were interpreted here as indicating a British desire to conceal the fact that an agreement had been reached until after Wang Ching-wei's government has been established, so as to avoid a perhaps premature straining of Britain's relations with the Chinese Government at Chungking.

Screws to be Put on Chinese Capitalists

PRIVATE Chinese industrial and mining properties, in the custody of the Japanese Army, will gradually be surrendered to Chinese authority for eventual restoration to rightful Chinese owners, Lieut.-General Susumu Fujita, commander-in-chief of the Japanese Army in the Shanghai area, announced in a proclamation issued here Mar. 18.

These properties, the proclamation said, were placed in the custody of the Japanese Army as a "temporary measure" with the double objective of providing a livelihood to a large number of Chinese dependent upon these industries and with a view to preventing damage to those properties whose owners had abandoned them by evacuating the area before the arrival of the Japanese forces.

These properties surrendered by the Japanese Army would be restored to "those rightful owners who shall pledge loyal allegiance to the new regime and who recognize the new relations between Japan and China."

Recovery Of Industry

The purpose of this step was to "enable industry and mining of new China to revive and make progress and to clarify the true intentions of the Japanese Army committed to the establishment of a new order to East Asia under the principle of Sino-Japanese cooperation."

"It is sincerely hoped that the rightful owners shall appreciate the intentions of the Japanese Army and shall respect the proclamations of the Chinese governmental authorities in this matter, so as to contribute to the stabilization of China's economy and to the promotion of public welfare, thereby achieving the aims of Sino-Japanese cooperation," the proclamation read.

While official comment was unavailable, it was reliably understood that the property of only those pledging allegiance to the new regime would be returned, while the owners would have to keep in line with the aims of the movement for the establishment of a new order in East Asia.

Cooperation Sought

Factories cooperating with the Chungking regime, or with third-party nationals whose countries support the regime of General Chiang Kai-shek, would not be returned by the Chinese governmental authorities after they receive them from the Japanese Army, it was further understood.

Excluded from restitution for the duration of the hostilities would also be plants producing materials essential to the satisfactory pursuit of Japanese military operations or necessary for strategical purposes, it was also reported.

Japan Protests Mail Seizures at Singapore

The Japanese consul-general in Singapore, Mr. Kaoru Toyoda, has been instructed to file a vigorous protest with the local British authorities over the seizure of a portion of the mails in the Europe-bound s.s. Fushimi Maru, *Domei* reported Mar. 18. Twelve bags of mail consigned to Naples were held out of a total of 64 bags and the liner was obliged to sail without them when the British authorities said they had not had time enough to examine them.

Mrs. Ford Presents Bike To Manila Chinese Lad

Mrs. Henry Ford, wife of the automobile magnate, has awarded an American-made bicycle of latest type to a Chinese boy named Heng Kiao, a resident of Manila. The bicycle was presented to the Chinese youth by Mrs. Francis B. Sayre, wife of the High Commissioner. Mrs. Ford gave the bicycle to the Chinese youth in recognition of his generosity in donating a sum he had saved for the purchase of a bike to the Chinese relief fund. Mrs. Ford heard of the incident through officials of the New York Y. W. C. A. The ceremony of presenting the bicycle to Heng Kiao was held at a charity function given by the Chinese Women's Relief Association of the Philippines. The organization contributed the sum of Pesos 3,000 (about Ch.$20,000) for relief in Shanghai.

Samuel Untermeyer Dies In New York at 82

Samuel Untermeyer, noted New York lawyer, died at Palm Springs, California on Mar. 17 at the age of 82. Son of a Jewish planter in Virginia, and brought up by his parents with a view to his becoming a rabbi, Untermeyer attained great eminence in the legal profession and was also world-renowned as a champion of the Zionist cause. At the height of his career as a lawyer he was believed to have earned as much as U.S.$200 for each day's work in court, his largest fee being more than U.S.$150,000 for work on behalf of the Nevada Consolidated Companies.

Sir Stafford Cripps Departs for U.S.A.

Sir Stafford Cripps, Leftist politician who was expelled from the British Labor Party last year for advocating a united front with the Communists, left Tokyo on Mar. 16 for Hongkong, where he was to board the Pan-American Airways Clipper plane for the United States. Sir Stafford had previously visited Chungking, whence he flew to Sinkiang Province and then to Moscow. Returning to Chungking by air, he proceeded to Shanghai via Hongkong and then to Japan. Considerable speculation has been aroused by his flying tour, the purpose of which has not been disclosed.

Nippon Troop Moves Reported in Yangtsze Valley; Lingshan Occupied

SOME movement of Japanese troops in the Yangtsze Valley, possibly presaging a new Japanese drive above Hankow, was reported to have taken place last week according to reports received in Chungking from foreign sources, *Reuter* reported March 16. Approximately 15,000 Japanese troops were transported up-river, it was estimated, but it was not known whether these men were replacements or intended for impending military operations. A Chinese military spokesman declared, according to *Reuter*, that so far there were no signs of big Japanese troop concentrations in the Yangtsze Valley, adding that without further reinforcements a large-scale drive was unlikely.

An announcement in Chungking on March 15 stated that colored balloons will be used in that city as air-raid signals in the event that the usual sirens should fail. When a Japanese air raid is likely, or if raiders are at a flying distance of approximately one hour and 20 minutes from Chungking, a single red balloon will go up. The first alarm, meaning that raiders are approaching Chungking, will be indicated by two red balloons, and an urgent alarm will be signalled by lowering both balloons. The all-clear signal will be given by sending up a green balloon.

Japanese Take Lingshan

Lingshan, a walled town in southwestern Kwangtung, situated 120 kilometers north of Pakhoi, close to the border of Kwangsi, was occupied by Japanese troops on the night of March 17 after furious hand-to-hand fighting with the Chinese defenders, according to a *Domei* report from Nanning the following day. According to *United Press* from Chungking on March 18, Chinese troops were still resisting the Japanese onslaught, which had started the previous day as part of a converging movement begun on March 15 to clear the Yamchow-Nanning highway and render it safe for transportation.

Domei reported from Canton on March 18 that four divisions of Chinese troops were gradually being hemmed into a fast-narrowing circle east of the Nanning-Yamchow highway and that 3,000 men were already trapped in the mountainous region west of Lingshan, causing many of them to surrender.

The Chungshan Invasion

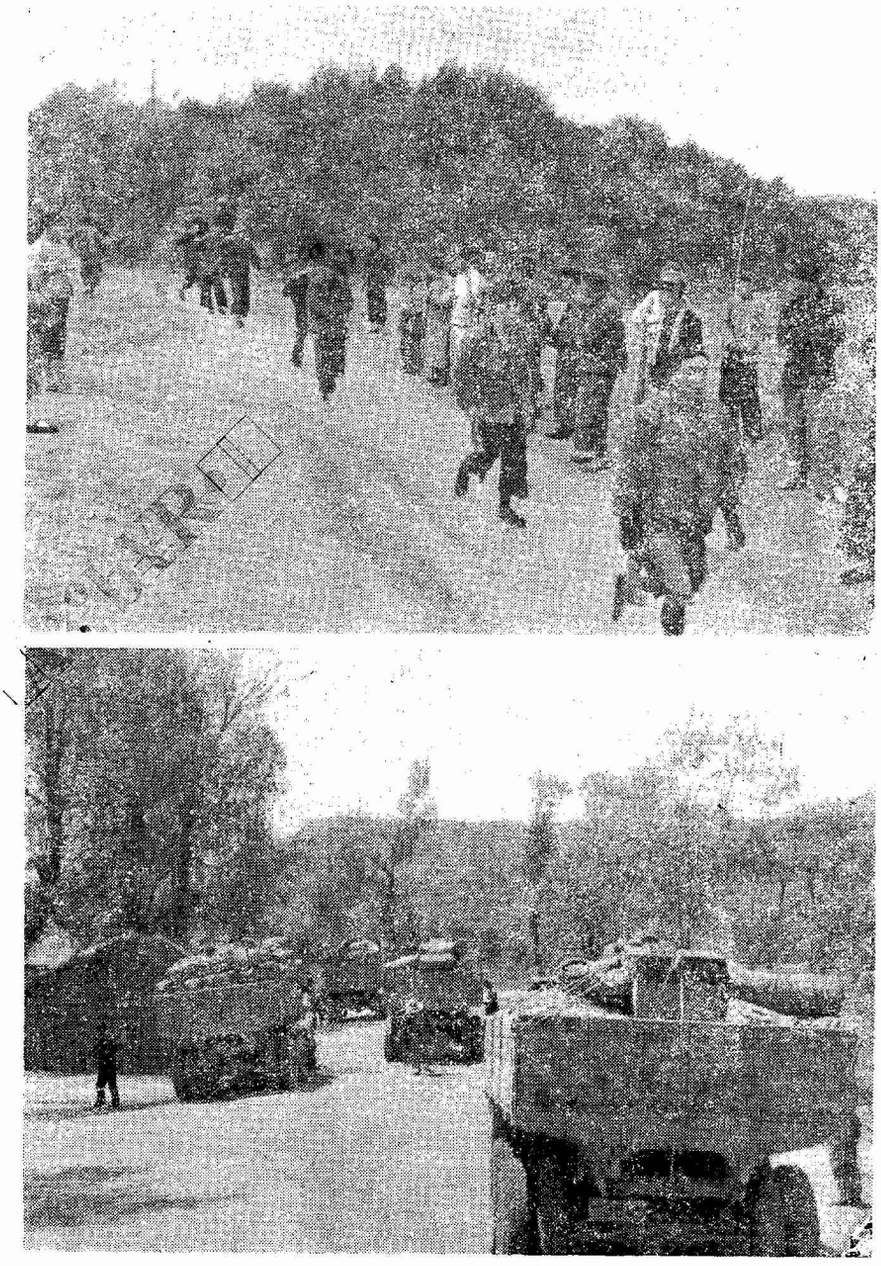
An interesting sidelight on the recent Japanese occupation of Chungshan, Dr. Sun Yat-sen's birthplace, was furnished in a *Reuter* report from Macao on March 16 which said that Chinese units from districts near Canton formed part of the Japanese forces which invaded the district. This information came from Chinese refugees who fled to Macao from Chungshan before the Japanese advance. In some places on the Chungshan peninsula, the refugees said, peasant volunteers opposed the invaders, but the Japanese made short work of them and within two days held all key points.

After rushed repair jobs, trains are again moving over the Yunnan Railway, according to information received in Hongkong and cabled to Shanghai by *Domei* on March 13. The line was badly damaged by Japanese air raiders and service was disrupted for more than two months, since Jan. 2.

A *Domei* report from Taiyuan on March 16 declared that Chungking Government troops and forces of the Eighth Route (former Red) Army were continuing maneuvers in Shansi and Shensi provinces, "clearly marking the battle lines of a major clash expected at any hour."

Chaipang, large coal-mining center about 40 miles west of Peiping, was occupied by Japanese troops late last week, *Reuter* reported March 17. The Japanese forces encountered only slight resistance and were assisted in their operations by bombing planes, the agency said. Occupation of Chaipang is said to foreshadow the execution of a long-standing Japanese project to extend the present Mentoukow Railway to the Chaipang district and to rename it the Menchai Railway.

Chinese Guerrillas and Soviet Trucks



Photos by Thomas Kwang

Watched with curiosity by people along the road, Chinese guerrilla fighters (above) are seen as they move up to the front, clad in civilian garb and armed only with rifles. The Soviet-made military trucks seen in the lower picture were photographed near Lanchow, capital of Kansu Province, while carrying ammunition to Chungking. About 100 of these laden vehicles are to said to arrive at the outskirts of Chungking each night.

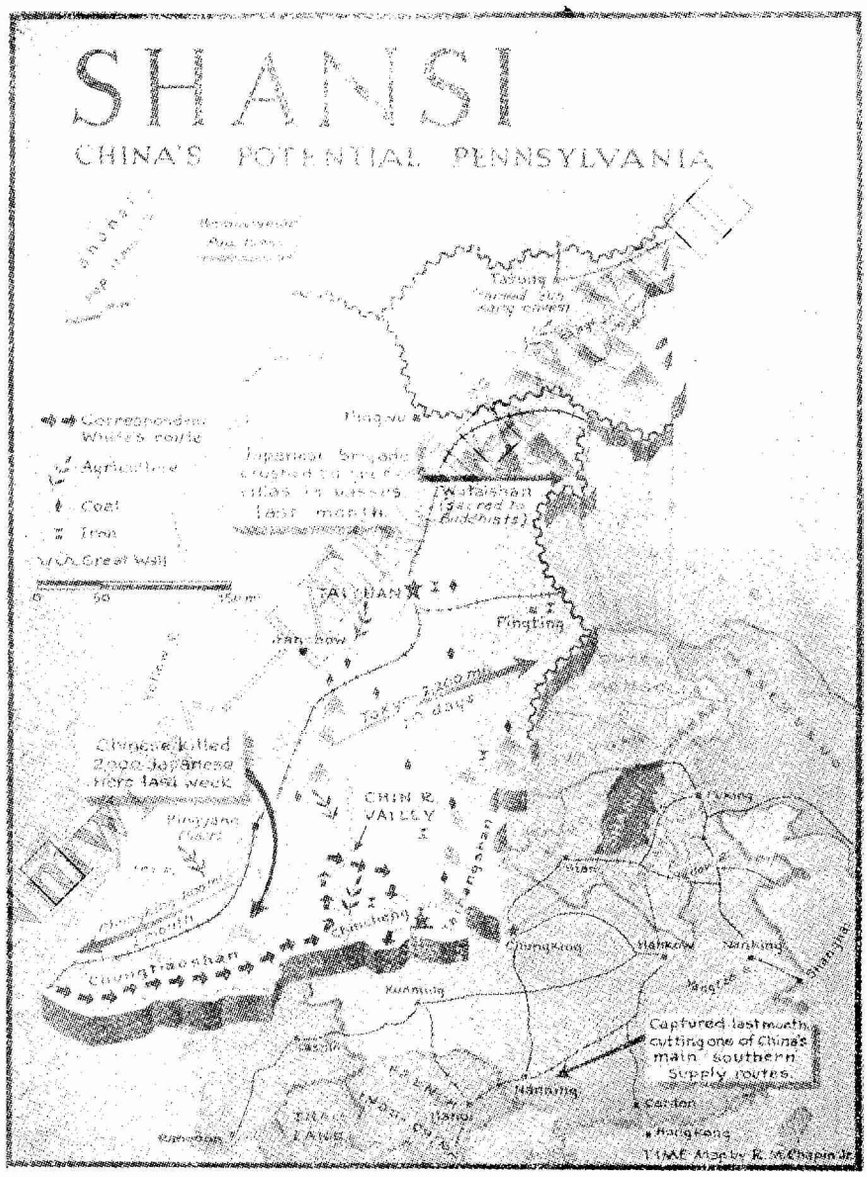
Shansi Envisaged as China's Pennsylvania

Time Magazine

RUGGED Shansi Province has for over two years been the key to the entire war in North China. Against it the Japanese have successively hurled three major campaigns and many little ones—all of which have blown up like bulbs thrown against a wall. Because the province is as remote and vague to most U.S. readers as darkest Uganda, its news has either been undiscovered or shoved out of a sight.

Some day Shansi may be China's Pennsylvania (*see map*). The province is watered by tributaries of the Yellow River, which divides Shansi from Shensi. Shansi's rough mountains are heavy with anthracite and iron, and because lack of communications has so far meant limited exploitation, the coal-poor, iron-hungry Japanese want it more than any other inland province. The Chinese, who realize that losing it means surrendering their last talonhold in North China, have hung on like eagles. Some of China's best fighting men are there...the hard-riding cavalry of General Ma Chan-shan, "Giant Horse," hero of Manchuria; the famous Communist 8th Route guerrillas; the cream of China's Government troops; and provincial troops, who are fighting for the soil on which they grew up.

Early in the war, the Japanese chased the Chinese from the great alluvial plain around Peking into Shansi's mountains. Fighting has ranged, and still ranges, all over the province. Most coveted area is the Chin River Valley at the center of the province—a tiny, complete world shut away by cupping mountains; a valley once bright with wheat, cotton, corn, yellow rice, persimmons, pears; surrounding hills dotted with grazing sheep and goats; and folded into the hills untold treasures of coal and iron.



Time Magazine

Japanese Unable to Cross Yellow River

Difficulties which the Japanese Army is experiencing in Shansi Province were described in a lengthy letter received in Chungking last week from a Chinese military base and wired to Shanghai by *Reuter*. Gen. Wei Li-huan, commanding Chinese forces in the Chungtiaoshan mountain area, the letter stated, has prevented the Japanese from consolidating their Shansi positions and thus made it impossible for them to cross the Yellow River for a drive further westward into Kansu.

Among the Chinese holding the mountain positions which are obstructing the Japanese drive, the letter went on to say, are a large number of Szechwanese troops. Japanese forces are said to be concentrating their attention on efforts to improve communications by building roads in the mountains. At present, they are building a road to connect Hsiahsien and Anyi in preparation for assaults on the Chinese defenses. The Chinese, meanwhile, are harrying the Japanese in their labors and claim confidence in their ability to prevent Japanese attempts to occupy the mountains or cross the Yellow River.

The highest peak in the Chungtiaoshan, and the main stronghold of the Chinese troops, is said to be Lienhuatai, or Lotus Altar.

Gunman Kills Lido Ballroom Proprietor

Kao Shing-pao, proprietor of the Lido Ballroom and well-known for his underworld connections, was shot to death by an unknown gunman while entering his automobile outside the Y.P.S. Hotel on Yu Ya Ching Road on the night of Mar. 15. The gunman escaped after firing three shots into his victim.

In view of the fact that Kao was known as an ardent supporter of the Chungking Government, and that he was detained for several days last autumn by the Shanghai Municipal Police—at the instance of the Japanese who alleged that he was connected with the activities of Chinese guerrillas in the Shanghai area—his assassination was attributed to political motives. In addition to operating the Lido Ballroom at 306 Medhurst Road (believed to be his principal business enterprise), the deceased man was also president of the Lido Sports Club.

Another murder was committed in Shanghai on Mar. 13 when Wang Yiu-sing, "amusement director" in the Badlands district, was shot and killed in the Honeymoon gambling and dancing establishment on Great Western Road. The murder was believed to be connected with the feud now raging between factions seeking to control the gambling racket in Shanghai's "wild west."

A guard employed by the Hillman gambling den on Great Western Road was wounded on Mar. 14 by one of two men with whom he had been engaged in an argument. Puppet policemen removed the man to hospital.

What U.S. Red Cross Dollars Do for China

Reprinted from the Red Cross Courier, Washington, D.C.

BY GRACE GOULD

Editor's Note:— Col. Theodore Roosevelt, Jr., chairman of the United Council for Civilian Relief in China, announced in Washington, D. C. on March 8, according to United Press, that the American Bureau for Medical Aid to China had raised a sum of U.S.$500,000 and that this would be used to buy medical supplies for dispatch to China.

WITHIN the last two years, since the "China Incident" began, more than $800,000 have been sent by the American Red Cross to the relief of Chinese civilians. Now that this money nears its end (though the "Incident" shows no signs of ending) and the Shanghai Committee prepares to close out its stewardship, those interested may be asking: Where has the fund gone? How has it been administered? What has it accomplished—anything at all forward-looking, beyond immediate alleviation of hunger, cold, and pain? Has it gone as far as it could?

That this fund has been thoughtfully allocated to accomplish the greatest possible good is assured by the names of its custodians, leading Americans representing various groups in the community.

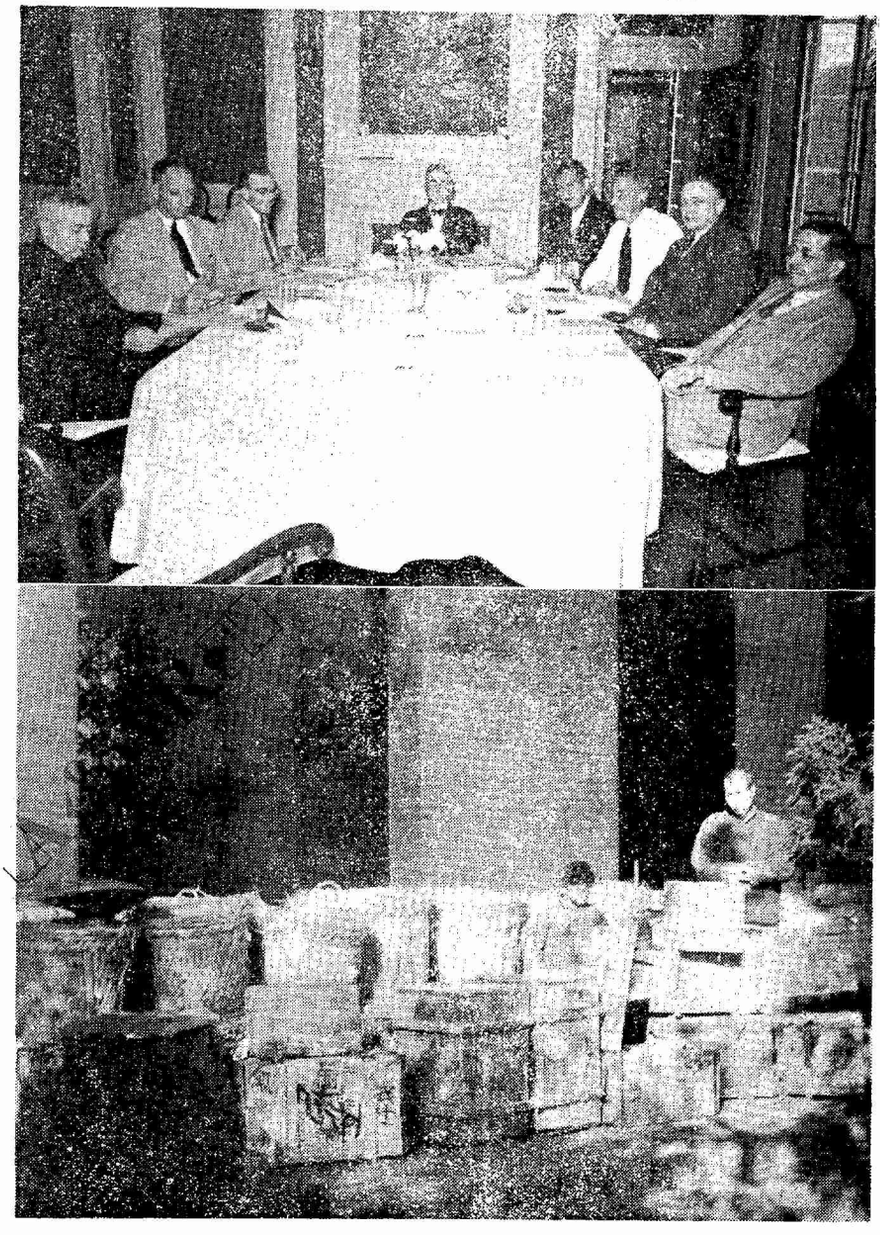
On October 2nd, 1937, after detailed study of relief needs in the Shanghai area, Consul General C. E. Gauss and the American Admiral, Harry E. Yarnell, with Ambassador Nelson T. Johnson's concurrence, appointed a small advisory committee, with Mr. Julean Arnold, American Commercial Attaché, as chairman, Major Arthur Bassett, Dr. W. A. Angwin, Dr. T. B. Dunn and Mr. C. R. Bennett as members, to allocate American Red Cross funds in this area.

In January, 1938, in view of the Red Cross campaign for further funds, a larger, more representative committee, called the American Advisory Committee (for Civilian Relief in China) with the American Ambassador as honorary president and the Consul-General as honorary vice president, was appointed as distributing agent for all of China. As Mr. Arnold was soon to leave, Major Bassett became chairman. The other members were Dr. John Earl Baker of the International Famine Relief Commission, Bishop W. P. Roberts, Mr. Joseph Hollzer, the Rev. Fr. L. F. McGreal, S.J., Comdr. Virgil H. Carson, U. S. N., T. B. Dunn, M.D., Mr. Julean Arnold, and Messrs. C. R. Bennett and R. P. Newell of the National City Bank, who served as treasurer and acting treasurer respectively, and Mr. Wilbur Judd of the Navy Y.M.C.A., secretary.

Mr. J. B. Powell was added to this group at its first meeting. During temporary absences, Dr. Dana Nance replaced Dr. Dunn, and Mr. M. W. Ross of the Navy "Y" acted for Mr. Judd as secretary. On Mr. Bennett's departure, Mr. M. M. Bates of the same bank became treasurer, Mr. P. P. Granberry acting for him in his absence. Early in 1939 Comdr. C. C. Brown, U. S. N. (marine physician) replaced Comdr. Carlson, and Dr. A. W. Tucker, of St. Luke's Hospital and St. John's University, Bishop Roberts. During Major Bassett's absence in America, Dr. Baker has acted as chairman.

This committee has worked in close cooperation with, and often through, other agencies already functioning, or organized for this emergency. An overlapping membership between the two American Advisory Committees, (the other representing several groups, especially the Famine Relief Commission) has made sure that there would be no overlapping in effort, but efficient division of work. This, the Red Cross committee, which at first allocated its funds for pressing civilian needs of all kinds, gradually narrowed its field

The American Red Cross Committee



Above, the American Red Cross Committee for Civilian relief in China which met at least once a week for more than two years and expended more than U.S.$800,000 on medical and other forms of relief in China. The personnel of the committee changed frequently through the period. Those in the above picture, which was taken several weeks ago at the American Club are: *(Left to right)* **F. R. L. F. McGreal, S. J., Dr. T. B. Dunn, Wilbur Judd, Dr. John Earl Baker (acting chairman), M. M. Bates, (treasurer), Dr. A. W. Tucker, Dr. (commander) C. C. Brown, U. S. N., J. B. Powell. In the lower picture is seen a typical shipment of American medical supplies, purchased chiefly with funds raised by the American Red Cross and sent to the interior of China for relief of civilian refugees.**

to specialize in medical relief, as the other committee was able to take over other needs. The British Fund for Relief in China has also kept in close touch with American relief efforts to avoid duplications on the one hand, and omissions on the other.

The American Red Cross committee is particularly proud of its economy record. In the accounts for the two years of its life, a grand total of 800 Chinese dollars—now about sixty dollars in American money—represents office costs! This sum went for postage, stationery, and one part-time stenographer. All other help has been voluntary and unpaid; the money has gone straight to desperate need.

Since in the first months, this committee operated in the Shanghai area only, of the first Red Cross funds received, $40,000 (U. S.) was allocated by American Ambassador Johnson to other parts of China. There have also been direct shipments of drugs, medicines, vaccines and such from the American Red Cross, not handled by this committee. After the scope of the committee's work was enlarged to include all of China proper, its disbursements show a wide range, the provinces of Anhwei, Chekiang, Fukien, Honan, Hunan, Hupeh, Kansu, Kiangsi, Kiangsu, Kwangsi, Shantung, Shensi, Szechwan, Yunnan being represented.

In a broad regional summation, the lower Yangtsze River area (South Kiangsu and North Chekiang), being a densely populated region and the original field of the Committee's work, (which felt the first impact of the war) stands first in amount of grants. Second comes the West China area, including Shensi, Szechwan, Yunnan, and Kweichow together with parts of South China: Kwangsi, Hunan, and the unoccupied parts of Kwangtung, Kiangsi, Fukien, and Chekiang. Third would rank the western Yellow River area, Honan, North Anhwei, and Hsuchowfu, with North China fourth. The middle Yangtsze section, the Canton area, and the eastern Yellow River region are also represented.

The committee's work has been limited to civilian relief, save in such cases as bombed soldiers and bombed civilians who lay side by side in desperate need; preference in direct allotments has been given to existing institutions under American management and supervision; but grants have been made to the local Red Cross, which could better check wider claims.

It will be seen that aid has been given to both occupied and unoccupied areas on a basis of need, not of politics. Indeed, with shifting campaigns and elusive guerrillas constantly changing the demarkations, it becomes extremely difficult to define which areas are occupied and which are not, "occupation" being often a nominal control of chief communication lines, while the people between, clinging to the soil which is their only means of subsistence, organize their lives as best they may. At present, transportation of supplies to remote points beyond the lines presents almost insuperable obstacles, while the National Government at Chungking from the other end, is itself helpless to reach victims of conquest in occupied areas. Foreign help is therefore quite as desperately needed within the Japanese lines as beyond.

Varied as the destinations, have been the kinds of help given. Aside from cash allotments, there have been many commodity grants. An outstanding example was the two shipments of cracked wheat, purchased by the Red Cross in America in 1938 and distributed by this committee within accessible areas, two separate shipments going to Canton. This wheat was bought though the Federal Surplus Commodities Corporation of the Department of Agriculture at Washington, cheaply enough to make its total cost, including transportation, less than the price of wheat in the local markets.

The First Chairman

Julean Arnold, American Commercial Attache, who was the first chairman of the American (Red Cross) Advisory Committee, which was formed immediately after the outbreak of hostilities here in the fall of 1937.

Allotments of this wheat went to Hangchow, Soochow, Wusih, Huchow, Kashing, Sungkiang, etc. In Shanghai it was distributed through such agencies as the Nantao Refugee Zone, the Goodwill Industries, National Child Welfare Association, Catholic Little Sisters of the Poor, the Home for Destitute Children, and various hospitals for refugees, including anti-tuberculosis and especially children's hospitals. Along with this wheat came 750 cases of canned goods, as well as medical and surgical supplies. The value of these shipments direct from America is estimated at $175,700 in U. S. currency.

A few gifts came from other sources. One American dollar, addressed by a Chicago woman to the "American Red Cross for the Sufferers in China," came to China direct because it bore a five-cent stamp, and duly reached the committee through the medium of the U. S. Consulate.

Thirty-six cases of clothing, collected by one of the Chinese schools in Manila, were shipped to this committee and distributed in Shanghai and Nanking. In this connection may be noted the method by which approximately 200,000 warm garments were furnished the local refugee population at a low cost. All the local and overseas donations of used garments were sorted as to quality and size; then two pieces, one heavy and one lightweight, for lining, were matched, a layer of cotton inserted, and the whole quilted together by tailors from the refugee camps.

One big aspect of the work has been the distribution of medicines, drugs, and hospital supplies purchased by the committee in Shanghai and sent out to points where no such materials could be purchased, even if the hospitals had had the money; which, as the war wore on and their revenues from paying patients vanished, while with the drop in exchange their costs multiplied, they had not. Many a humble Odyssey could be told of the vicissitudes of messengers getting through with their precious vaccines, their urgently needed serums, their indispensable quinine, by train, sampan, ricksha, manback.

"It is about a year now," wrote an Italian Catholic father in a letter which finally got through from Chengchow, Honan, "we try to send you a man to bring us a medicinal help for our hospital. But we were not able to cross the military frontier. . . . We have done all the possible to succor the most number of needing."

From a mission at Shuyang, Kiangsu, a recent letter explaining plans to "help a few people bombed out of house and home build some sort of shelter for the winter" and especially to provide improvised medical service, was brought in person by the skilled Chinese doctor who was to operate the dispensary (at a salary of $50 Chinese per month—now less than U. S. $4, while his wife, a graduate nurse, would assist him for half this munificent pay). Dr. L. "came by ricksha, sampan and river boat and hopes to return the same way, with the boxes of medicine under immediate surveillance."

Where messengers could not come, much credit is due to Mr. Vitally of the Associated Drug Company, an American firm in Shanghai which has long served the scattered mission hospitals and therefore knows their needs, the type of packing indicated for varied means of transportation, and the routes themselves; so that deliveries have been achieved by weary and often roundabout means to remote points. Mr. Vittaly has had the cooperation of the postal service and of all available transportation companies; there has been triumph in the office when acknowledgments would arrive from some hospital which at first seemed totally inaccessible under war conditions.

It was early found to be unwise to buy certain supplies direct from America, since many pressing neces-

sities, such as Norwegian cod liver oil and quinine from Java, would lose precious time and add expense in double transit.

It would be inspiring to know the grand total of piteous cases helped by these supplies, but even an estimate would stagger the imagination.

Thus, in November, 1939, the Baptist clinic at Kunshan, Kiangsu reports: "During the first ten months of this clinic work, (done almost entirely by one doctor, one graduate nurse, a few helpers), 17,558 persons received 39,166 treatments . . . the worst scourge of malaria ever seen in this part of the country. . . . Our clinic the only place in this district where quinine was available . . . people too poor to buy even had it been available elsewhere . . . large numbers coming in rags and tatters indicate dire poverty . . . a lot of banditry going on . . . life one miserable nightmare for the masses . . . you and your committee made possible this medical relief, a real work of mercy."

Malaria is widespread and virulent this year. An inter-denominational hospital in Foochow reports the worst scourge of it in a veteran doctor's 37 years. It attacks Chinese and foreigners; patients are often delirious. Quinine is hard to get and prohibitive in price. In Shanghai, too, the Nantao Refugee Area reports alarming increase of malaria; here a total of 5000 to 6000 dispensary patients is handled daily.

After two years of war, needs multiply instead of dwindling. In the invaded areas there is desolation; in the uninvaded, influx of refugees. "There is hardly a day," says a letter of thanks for supplies, from Kwangsi, of October, 1939, "that some city or market town is not air-bombed;" while another Kwangsi point asks help to set up a first-aid station near a cave for air-raid victims, in cooperation with the police. This mission's hospital was destroyed by bombs in December, 1938, but has been re-opened; free hostel and free clinics are being maintained for passing refugees.

One Kiangsu hospital serves alone an area of 2,000,000 people; it is filled with refugees, many of them bomb victims, whose homes have usually been destroyed by the same bombs. Another Kiangsu unit, partially burned when the city, Changchow, was taken, had its beds, linens and supplies looted, its books and charts burned, but has secured Chinese beds and makeshift equipment, and with American Red Cross supplies is at work again.

When no hospitals exist, teachers and preachers carry on. From an orphanage in Sungkiang a recipient of quinine writes: "One can do a lot of good doctoring down here with quinine, calomel and castor oil." An acknowledgment of anti-toxin says, "We had eight cases of tetanus from intensive bombing before it arrived."

Close to Shanghai too the need keeps up. The Hospital for Insane in Minghong reports (October, 1939) a need of bandages for "the wounded brought in nearly every day as a result of night fighting or robberies." The coffin-makers, we are told from Da Zang, "cannot keep the supply up to the demand." There is malnutrition everywhere.

Two outstanding Shanghai examples where Red Cross accomplishment can be seen are the Shanghai Public Hospital for Children, 65 Moulmein Road, and the American Hospital for Refugees (St. Luke's Hospital No. 2) on Brenan Road. Both have been largely supported by this fund from its inception; the children's hospital, with which the International Red Cross Emergency Infants' Hospital, formerly at 737 Weihaiwei Road, has been consolidated, has received enthusiastic local support and will become, it is hoped, a permanent institution, eventually largely self-supporting with half its bed endowed for charity cases. Thus, under the able and enthusiastic leadership of its superintendent, Dr. W. S. Fu, who has given tirelessly of his time and skill, the need for outside aid will pass.

Aid is Appreciated

Certificate issued by Chen Chao-ying, chairman of the Executive Committee of the Kuomintang Party Headquarters in Fukien Province, expressing appreciation for relief to civilians granted in that province by the American Red Cross.

Already this hospital has an ordered and permanent look. Already, from 10 to 20 of its 100 beds are being paid for by people who could not afford usual hospital rates, but are glad to pay their way in this homelike place, where $5 (Chinese money) per day will pay for a single room, $2.50 for a bed in a 2-bed room, and $1 (*now 7½ American cents*) for a bed in a ward.

But most of the cases come from refugee camps, from poor families elsewhere, from orphanages, from the streets where the police find children and bring them in, later to find homes for them.

This hospital has now a fine list of local patrons; a ladies' commitee provides the linen; leading children's physicians give their time as consultants to assist the excellent staff. Dr. Fu is proud of the fact that practically everything in the place, from trays to x-ray apparatus, has been given by local supporters, so that the funds granted could be used for operation. "When we need something, food or coal or equipment," he said, "we go out and ask for it; and we get it." Groups are now endowing beds.

Economy is the watchword here, as it might be in a well-ordered, but modest home. Portable stoves, designed for high efficiency, will heat the rooms at a very low cost. A home-made hot water heater in the courtyard, served by the same fire which boils the diapers, can be operated for under 10 cents American per day. The finest skill, the best special diets for the many deficiency diseases now prevalent, all needed medicines are available for in - and - out-patients alike; but nothing is wasted here. The American Red Cross may well feel that in helping to start this work it has not only met an emergency but done a lasting good.

The largest single project of the American Red Cross here now is the American Hospital for Refugees. While it has received other gifts, notably from the Chinese Child Welfare Association, this hospital, superintended by a veteran American, Dr. J. C. MacCracken (Pennsylvania U.) of St. John's Medical School, staffed largely by internes from that school, and working closely with the permanent St. Luke's Hospital No. 1, has remained a distinctively American enterprise, supported chiefly by American Red Cross funds.

Here, across the street from a refugee camp of 14,000 persons, surrounded by squatter villages filled with the destitute, come hundreds of outpatients each day, to receive treatment, medical or surgical, and such medicines as are needed. Those who can pay a small fee do so, but these are few. This hospital has about 280 beds, including an obstetrical ward, a nursery, a convalescent ward, surgical and medical wards for men, women, and children. It receives, as must all hospitals serving the ignorant and the poor, a high percentage of extremely serious cases, because, except from the supervised refugee camps, these people do not come into hospital until they are desperate.

And all of them, says Dr. MacCracken, are undernourished. They have no resistance with which to fight

disease. Quite as important as medicines or surgery are the diets sent out from the special kitchens of such hospitals as this, and the Children's Hospital as well. Beri-beri, dysentery, typhoid, tuberculosis — they all need food, before they can be cured.

Here functions the lowly soy bean, in milk and in cake form, which has sustained so many lives at so little cost in all refugee camps and hospitals here. As its use grows here and elsewhere all over the world, its nutritive values become better known, and its palatibility improves with experiment. A lot of Red Cross money has gone into soy bean foods here, and this too is a forward-looking investment.

Dr. MacCracken, like Dr. Fu, is proud of economy. As an emergency institution — though the emergency shows no signs of disappearing—St. Luke's No. 2 has been able to operate largely on borrowed equipment and to utilize makeshifts. Here too, many supplies have been locally given; American groups particularly have wished to help this work. Here too, local physicians and surgeons lend their time to help the staff men, themselves skilled specialists. In the first year of the war two nursing schools, evacuated from nearby war areas, were transferred here and the girls were able to complete their training, at the same time giving valuable service. Now the hospital has 100 graduate nurses.

There is a high proportion of child patients here, and one feels a special warmth and personal tenderness in the care they receive. A Chinese social worker follows the cases into the homes, in many cases finding homes for orphaned or unwanted children.

The work done here, save that it has the greater facilities of a big coast city, is probably typical of that done in the many hospitals throughout the country which the Red Cross fund has helped. Again and again, the letters say, "We should have had to close down but for your help." Not that they don't help themselves. In Huchow, when all the instruments disappeared from the looted hospital, returning doctors presented an illustrated surgical catalogue to a local brass-smith, who presently turned out at trifling cost some extremely delicate instruments.

Aside from aid to hospitals, there has been a tremendous variety of work, some of it done through other agencies. Thus in the early days of Shanghai's refugee problem, this fund, through the Shanghai Municipal Council's Health Department, supplied milk, cod liver oil and Vitamin B for refugee camps, and aided such institutions as the Mission to Lepers. Through the local Red Cross, it allocated food and clothing to 200 camps, (193,253 articles of clothing from October, 1937, to January, 1938). The cost of rations—one pound of rice, wheat, or beans, with a trace of vegetables, salt and oil—was $6.37½ in Chinese money per hundred refugees per day, the whole support of one person for a month being estimated at $3 Chinese, then a little less than one American dollar.

The Chinese Medical Association also received grants at this time. The well-known Jacquinot Zone (refugee area organized by the French Jesuit Fr. Jacquinot) in Nantao was assisted; "Without your help," its officers wrote in July, 1938, "we should have had to close down by now." Orphanages, such as St. Joseph's under the French Fathers, and St. Faith's, operated by indomitable little Miss Henderson, of the American Navy family for one of whom the transport *Henderson* was named, "grandmother" now to all her children, have received grants.

Convents here and elsewhere have been helped in their limitless hospitality to the refugees; the Sisters of Charity on Chusan Island—"like a dead place," now, they say—have been given medical supplies for their families — widows, many of them, whom the sisters are trying to help toward self-support by sewing, embroidery and the raising of poultry. The Franciscan fathers in Shanghai have received a grant for their workshop for refugees; Catholic sisters in the Yangtzepoo area are being given medicines and cod liver oil for the home they are maintaining for refugees who, dismissed from the camps, are now seeking employment there. German missions, Catholic and Protestant in Shantung, cut off from home contributions, have been helped to feed their starving Chinese constituents and hordes of refugees by Red Cross funds.

Some of the money has gone for much needed transportation. Thus, a recent grant will aid a medical unit recently organized by the Y's Men's Club of Shanghai to proceed to Szechwan and care for 30,000 orphans there, under Mme. Chiang Kai-shek's direction. Barracks have been given for refugee schools. Recently a Refugee Maternity Centre, planned to take the expectant mothers from the camps, give them necessary extra food and care, and see the babies well into the world, has received aid. The policy of using established agencies, which know the field and can be counted on to use funds to the best advantage, has been consistently followed. Thus, in both Tientsin and Peking, funds have been disbursed through the Salvation Army.

The summation of the funds expended is:

Supplies received direct from the American Red Cross, wheat, medicines, etc., estimated at U.S.		$175,700.00
Paid through Ambassador Johnson		40,000.00
Paid through Consul General Gauss, disbursed by recommendation of the committee		30,800.00
Received by the Advisory Committee in Shanghai		
Medical funds	$100,000.00	
Regular funds	340,000.00	
	19,000.00	
	50,000.00	
	55,000.00	564,000.00
Grand Total U.S.		$810,000.00

Of this total a balance of a few thousand dollars remains to be allocated, but the work of the American Advisory Committee in China may be considered, in view of other pressing demands upon American Red Cross funds, to be practically at an end.

Hongkong Votes Cash For New Warships

The Legislative Council in Hongkong on Mar. 14 approved an expenditure of H.K.$5,000,000 to be employed for the construction of warships which are to be presented to the British Admiralty as "part of the Colony's contribution to the war effort," *Reuter* reported. It was also decided to make an additional gift of £100,000 to the British war chest.

Warships of belligerent Powers, including Britain, were advised by Rear-Admiral Masao Kanazawa, spokesman for the Japanese Navy Ministry, to give Japan a wide berth, *Domei* reported from Tokyo on Mar. 14. The operation of such warships near Japanese territorial waters, the spokesman said, was "extremely undesirable" since it served to "stimulate Japanese sentiment." The question, he said, should be considered not alone from the legal standpoint, but from the political and sentimental standpoints.

According to a *Transocean* report from Amsterdam on Mar. 16, the London *Times*, in a dispatch from Singapore, predicted closer cooperation between Allied colonial troops in the Far East. The paper was said to have stated that a British army officer would shortly proceed to Hanoi to act as liaison officer with the French army in Indo-China, while the commander-in-chief in the French colony would appoint a liaison officer to proceed to Singapore.

Delay in Yangtsze Reopening Hinted

A hint that the reopening of the Yangtsze River from Shanghai to Nanking might be "indirectly" delayed because of continued foreign assistance to the Chungking Government was conveyed by Rear-Admiral Masao Kanazawa, spokesman of the Japanese Navy Ministry, at a press conference in Tokyo on Mar. 14.

The spokesman said it was "illogical" for any country to extend aid to the Chungking regime, thereby increasing the latter's resistance to Japan, and at the same time expect Japan to reopen the Yangtsze, to which Chungking paid so much military attention. Chinese troops, he declared, were continuing spasmodic mine warfare on the river.

Replying to a question, the spokesman said that the American loan of U.S.$20,000,000 to China meant indirect aid to the Chungking Government in its resistance to Japan.

The subject of the Yangtsze reopening was dealt with by the Japanese naval spokesman in Shanghai on Mar. 15. Having received no instructions from Tokyo to the contrary, he stated, preparations for reopening the waterway were continuing. These preparations included the replacement of navigation marks, removing hazards to navigation, charting a navigable channel, restoring harbor and anchorage facilities, reviving a coast guard system for rescue work, and reopening Customs offices.

Puppet Show Gets Under Way in Nanking

DELEGATES of the puppet regimes in North China and Inner Mongolia, representatives of political parties and an assortment of press representatives were proceeding to Nanking early this week in connection with the Central Political Conference convened by Wang Ching-wei as prelude to the formation of his puppet central government. The conference was scheduled to open on Mar. 20. Local press representatives and foreign correspondents, armed with neat passes furnished by the "Ministry of Publicity" of the still non-existent puppet government, departed from Shanghai's North Station at 6.30 a.m. on Tuesday in a special train provided free by the Japanese authorities. The train left under heavy guard and special precautions were taken to prevent possible attacks by Chinese guerrillas en route, since the train also carried numerous puppet officials and their friends.

In spite of the sugar-coated promises contained in Premier Yonai's reiteration of Japan's China policy last week, the removal of Gen. S. Kita from the Japanese military throne in North China, and the feverish preparations for the formation of the new puppet central regime in Nanking, two things seem to have disappointed Wang Ching-wei and his cohorts keenly. Japan's choice of a second-rate man and custed premier, Gen. N. Abe, as the special envoy to the new regime instead of Prince A. Konoye, is said to reflect a lack of regard for Wang, while Tokyo's announced intention to withhold recognition of the regime until one month after its establishment constitutes a great disappointment to "Orthodox" Kuomintang circles, as immediate recognition had been anticipated.

Support Pledged to Wang

An attack on the Chinese Government at Chungking and praises for Wang Ching-wei as the "peace promoter" in China featured the statement issued by Premier Yonai on March 13, clarifying Japan's policy toward the proposed new regime. Asserting that Japan is ready and able to carry on the China war, "no matter how long, until the eyes of the anti-Japanese, pro-Communist regime are finally opened," Premier Yonai told Wang that Japan has only "peace and goodwill toward mankind" and aims only at the establishment of a "New Order" in East Asia. He assured Wang of Japan's full support for his proposed administration and her respect for China's independence and freedom.

Premier Yonai reiterated that the Konoye statement still forms the basis of Japan's goal in China, namely, Sino-Japanese friendship, Sino-Japanese collaboration against Communism and Sino-Japanese economic cooperation. As the first step in the performance of the "sacred task of reconstructing East Asia," the Japanese premier stressed the necessity of creating and insuring a new international relationship between Japan, Manchukuo and China. This new relationship, he explained, conforms to the ideal underlying the construction of a "New Order" in East Asia. In other words, the very first thing Japan expects the Wang Ching-wei's regime to do is to accord *de facto* as well *de jure* recognition to the puppet state Manchukuo.

Premier Yonai hailed Wang as a great lover of his country and lauded his policy of national salvation through peace with Japan and anti-Communism. Wang was described as a man who brought light to his countrymen, who were lost in darkness. Premier Yonai concluded that Wang "has thereby won the confidence and support of his countrymen."

Despite the fervent hopes of Wang Ching-wei and his associates, immediate recognition of the new regime in Nanking by Japan appears very unlikely. Although Premier Yonai was reported to have stated that Japan "is prepared to recognize the regime promptly," *Domei*, quoting well-informed circles in Tokyo, asserted that Japanese recognition would not be forthcoming until approximately one month after establishment of the new regime.

Of the numerous candidates for the post of special envoy to the projected China regime, Japan has finally chosen Gen. N. Abe, a non-active service man, who was recently ousted by the Army and Navy from the premiership. Gen. Abe's appointment to this post was made on the recommendation of the Asia Development Board, the all-powerful military organ which controls affairs in China. The selection of Gen. Abe is regarded by observers in Japan as a slight on Wang Ching-wei, since by both political and military standards the General is a second-rate figure. "Orthodox" Kuomintang circles in Shanghai had expected the choice of a more influential figure such as Prince A. Konoye, Japan's first wartime premier and partner in the Wang-Konoye peace plot of 1938, but Konoye's refusal to head a mission to the Wang regime frustrated their hopes. Gen. Abe, in his new capacity, appears to be nothing but a bearer of the Japanese Army's instructions to Wang.

New York Times Photo

Japanese Army erects a signboard for Wang Ching-wei at the base of the statue of the patriot Dr. Sun Yat-sen at Hankow. The wording on the signboard reads, "Peace, Anti-Communism, Reconstruction."

Gen. Abe was expected to leave Japan for China in the middle of this week and to be accompanied by a suite of assistants headed by Sotomatsu Kato, Japan's minister-at-large in China. Other members of the delegation reportedly included Shunichi Matsumoto, director of personnel in the Foreign Office, and Arata Sugihara, second secretary of the Japanese Embassy in Shanghai.

The Extrality Issue

Hachiro Arita, Japanese foreign minister, announced on March 12 that

Japan was ready to renounce her extraterritorial rights in China. But one who takes Mr. Arita's announcement seriously will be fooled, for he so qualified his statement as to render it empty talk. Mr. Arita explained that the abolition of extraterritorial in China requires "extensive preparations" and it would be "impossible" to abolish the system on the same day as, or immediately after the establishment of, the new regime. Mr. Arita also warned against the advocacy of a customs union between Japan, Manchukuo and China, which, he believed, would cause friction between Japan and other Powers.

Although the attitude of Wang Keh-min, head of the Peiping regime, towards the government-forming plans of Wang Ching-wei remains uncertain, it is generally believed that the recent removal of Gen. S. Kita from the post of director of the Peiping Office of the Asia Development Board will have the effect of reducing, if not completely suppressing, Peiping's opposition to the projected Nanking regime. Until his replacement, Gen. Kita was known to have been the chief backer of Wang Keh-min and a strong opponent of Wang Ching-wei. But for Gen. Kita's opposition, Wang might already have attained the dignity of Japan's puppet-in-chief in China.

The Nanking Conference

On Wednesday of this week (March 20) or early next week, the so-called Central Political Conference, prelude to the establishment of the new regime, was expected to open in Nanking. According to reports from Japanese sources, a total of 30 delegates was scheduled to attend the conference. Of the 30 delegates, the "Orthodox" Kuomintang will contribute ten, including Wang Ching-wei, Chen Kung-po, Chu Min-yi, Mei Szu-ping, Lin Pai-sheng, Fu Shih-yueh, Ting Mo-chun, Liu Yu-feng and others. Five delegates are to represent Peiping, namely, Wang Keh-min, Wang I-tang, Chu Sheng, Chi Hsieh-yuan, and Wang Shih-ching. The existing Nanking regime will be represented by an equal number, including Liang Hung-chih, Chen Chun, Wen Tsung-yao, Jen Yuan-tao and Kao Kuan-wu.

Chen Yu-min and Cho-Te-Pe-Ja-Fu will represent the Mongolian Government. Chang Ying-hua and Chiao Yu-sung are to represent the New China Youth Party, while Kiang Kang-hu will represent the National Socialist Party. The Democratic Socialists will send Chu Ching-lai and Chao Cheng-ping, while the non-party delegates will be Chiao Chun-yueh and Men Chi-chung. Lastly, representing nobody but himself, is "Mayor" Fu Siao-en of the Japanese-controlled Shanghai Municipality, who was reported to be going to Nanking to offer congratulations to Wang Ching-wei.

Willy-nilly, herded by Maj.-Gen. Susumo Morioka, newly-appointed director of the Peiping Office of the Asia Development Board, who replaced Gen. S. Kita, the five delegates from Peiping left for Nanking by air on March 18 to attend to the Central Political Conference, according to a *Domei* report.

Wang-Japanese Agreement

While "Orthodox" Kuomintang circles continue to denounce as a "canard" the Wang Ching-wei-Japanese secret agreement revealed on Feb. 21 by Kao Tsung-wu and Tao Hsi-sheng, ex-followers of Wang, Chou Fu-hai, Wang's chief collaborator in the "peace movement," refused to divulge the actual Wang-Japanese peace terms, pleading that publication of them at present is not only unnecessary but would increase the difficulty of realizing peace. While declining to explain the reason why publication of the peace terms would increase the difficulty of their realization, Chou, in an interview with the *China News Agency*, organ of the "Orthodox" Kuomintang, said that the peace terms aim at the adjustment of "unreasonable situations."

Chou further explained: "In the present emergency, many obstacles stand in the path of this work. If we are not sufficiently prepared to put them into practice, and are forced to make readjustments later, the obstacles would be greater and more numerous." These remarks from a leading "peace" worker do not seem to presage a rosy future for the "peace movement."

Revelation Not Timely

Elaborating the reasons why the Wang-Japanese peace terms cannot be made public, the February issue of the *People's Tribune* urged the public to approach this question with an open mind and to understand that revealation of the terms is not timely. The journal tried to make it appear that actually no such thing as peace "terms" exist and that "what exists is only a scheme between individuals as to the manner in which peace is to be brought about."

The *People's Tribune*, attacking the Kao-Tao version of the Wang-Japanese agreement as a canard, also took the *Central News Agency* at Chungking and *Reuters* to task for an alleged mistranslation of the word "compensation" as "indemnity" in the sentence: "The agreement is stated to provide that the proposed new Central Government, after inauguration, shall indemnify all losses sustained by the Japanese nation in China since the beginning of the war." The *Tribune* claimed that the sentence should have been translated thus: "The New Central Government to compensate the legitimate claims for losses suffered by Japanese nationals since the beginning of the hostilities." A nice distinction. The argument over the choice of one or the other seems puerile so long as China, that is, occupied-China, which is to be represented by Wang Ching-wei, is obligated to pay for Japan's invasion. If there is any proper use of the word "compensation" here, it is for Japan to "compensate" China for the losses suffered by her as the result of Japan's unprovoked war.

Threat to Foreigners

A thinly-veiled threat to nationals of third Powers who fail to recognize the projected Wang Ching-wei government was uttered by the Japanese Embassy spokesman last week, when he said that the result of the Powers' ignoring the new administration would be that nationals of those

Where Wang Ching-wei's "China" Is Located

This map, reproduced from *Time*, indicates Japan-occupied territory, where the puppet Wang Ching-wei regime will function.

Powers in the areas under the jurisdiction of the new regime would be the ones to suffer in trade and so forth.

Intense Japanese diplomatic activity seems to be going on in Rome with the object of inducing Italy to recognize the Wang government as soon as it comes into being. Aside from an official call on the Italian Foreign Minister, Count Ciano, by the Japanese Ambassador, Eiji Amau, on March 13, *Domei* issued an inspired report from Rome purporting to reveal Rome's intention to instruct its ambassador in Shanghai, Marquis de Marchio, to attend the inauguration of the Wang government. Italy, the report claimed, would recognize the new China regime "at the earlist opportunity, together with other friendly Powers."

Wang Ching-wei, in a statement issued on March 12, asserted that Sino-Japanese peace, under terms he had achieved with the Tokyo authorities, "will not impair the independence and existence of China, nor will it infringe upon the legitimate rights and interests of other Powers in China." "The peace movement," Wang remarked unblushingly, "will benefit not only China and Japan but the nations of the world." He also urged Chungking "to divest its mind of prejudice and immediately cease the present hostilities."

Chen in Canton

Chen Kung-po, Wang's close associate and leading member of the "Orthodox" Kuomintang, was reported by the *China News Agency* to have delivered a speech on March 8 at Canton urging the pro-Wang agents there to continue to struggle on for the realization of "peace and reconstruction." The whereabouts of Chen have been a mystery since January. At one time it was rumored that he broke off from the Wang camp owing to his alleged opposition to Wang's government-forming plans. But judging by his present activities in Canton, it is apparent that he continues to be a supporter of the "peace" movement and is likely to play a prominent part in Wang-Japanese politics.

Despite a heated denial by the Japanese War Office, the *Associated Press* report of an impending withdrawal of Japanese troops in China has aroused widespread attention. The report attributed the alleged decision of the Japanese authorities to the heavy drain upon both manpower and munitions brought about by the China conflict. Denying that that Japanese forces lack munitions for conducting long-term military operations, the War Office spokesman asserted: "So long as the Chungking regime persists in resisting Japan, the Japanese forces will remain in China."

The Saito Affair

Although Takao Saito, veteran member of the Minseito Party, has been expelled from the Diet for his attack on the Konoye statement as the Japanese Government's policy for settling the Sino-Japanese conflict, the episode is not closed. The next move threatens to have an even more important bearing on domestic politics than the storm which raged over with Mr. Saito's expulsion, a *Reuter* dispatch from Tokyo indicated. The country generally seems to have applauded Mr. Saito's demand for more concrete information on the Government's policies in China. His punishment has not only thoroughly discredited the political parties but seems likely to have further repercussions as times passes. That the Army views the situation with concern is made evident by the fact that it is now taking steps to clarify the real objective of the "Holy War" to the nation and to promote harmony between the Army and the people.

That overseas Chinese continue to give whole-hearted support to China's war of resistance against Japanese aggression is evidenced by a statement issued by the Ministry of Finance at Chungking announcing that in the ten-month period between March and December, 1939, the overseas Chinese contributed a total of $55,842,325.44. Combined with the contributions received between July, 1937 and Feb., 1939 by the National Overseas Affairs Commission, the total reached the sum of $124,406,550.41.

Gen. Chen Chi-tang, formerly commander-in-chief of the Kwangtung forces, was appointed on March 15 to the post of Minister of Agriculture and Forestation of the National Government at Chungking. The new ministry was recently created in accordance with a decision reached at the sixth plenary session of the Kuomintang Central Executive Committee held last year. Gen. Chen, it may be recalled, contributed $7,000,000 in Hongkong currency to the Government's war chest shortly after the outbreak of the Sino-Japanese hostilities in 1937.

Guerrilla Leader Killed

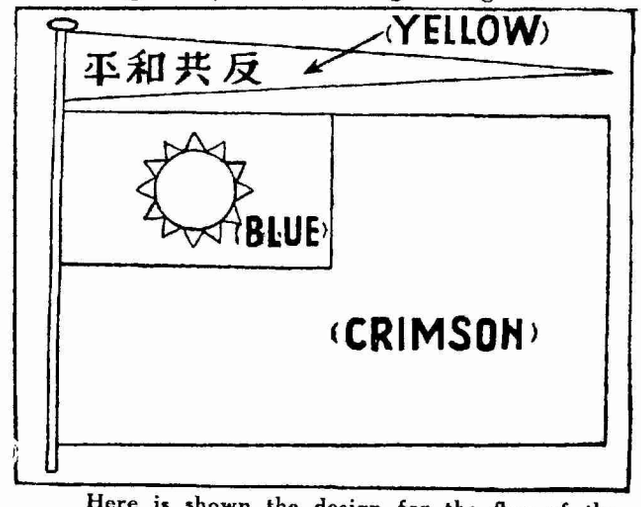
Gen. Chao Tung, 26-year-old leader of Chinese guerrilla forces in North China, was killed in action at the beginning of February. The news of his death was confirmed in Chungking. In spite of his youth, Gen. Chao was a veteran anti-Japanese warrior, having fought the Japanese in North China for the past several years.

The *China News Agency* reported that Sun Fo, president of the Legislative Yuan, and Madame Chiang Kai-shek, would shortly leave China for Moscow on a mission for the Chinese Government. Mr. Sun denied that he was planning such a trip.

Seven Reported Missing After Whangpoo Collision

Two civilian auxiliaries of the Japanese Army and five Chinese were reported missing last Saturday following a midnight collision between a ferry operated by the Public Utilities Bureau of the (puppet) Special Municipality of Shanghai and the Taiko Maru No. 18, a 180-ton Diesel-engined vessel, the local Japanese Army organ, *Tairiku Shimpo*, reported. The Taiko Maru was said to have rammed the ferry boat 600 meters off the Shanghai shore of the Whangpoo. The ferry was proceeding to Pootung and the impact threw nearly all the passengers into the river. The Taiko Maru, which was bound for Hsinkong in the Yangtsze Delta, sank, but is now being salvaged. She was operated by the Toa Kaiun Kaisha and her skipper, a Chinese named Chang Kenti, who was among the survivors, was being held for questioning by the Japanese gendarmerie.

Flag Adopted by Wang Ching-wei



Here is shown the design for the flag of the new central government to be organized by Wang Ching-wei. It will replace the five-bar flags now flying in the Japanese-occupied areas. The design is in no way different from the generally recognized Chinese national flag except that a yellow pennant is added on the top, bearing four Chinese characters meaning "anti-Comintern and peace."

French-Nippon Trade Pact Now Expired

The provisional trade agreement between France and Japan expired on Mar. 15 and no conversations have been undertaken for a renewal, the Japanese Foreign Office announced Mar. 15. The basic Franco-Japanese Treaty of Commerce and Nevigation, concluded in 1911, remains in force, however.

Oustanding issues between the two countries — notably Japanese air-bombing of the Yunnan Railway and seizure by the authorities of French Indo-China of mails being conveyed in Japanese ships—are believed responsible for the failure to renew the lapsed trade accord.

A *Domei* report from Tokyo on Mar. 14 stated that the Indo-China authorities, in order to placate Japan, had agreed to return a portion of the mail seized by them aboard the O.S.K. liner Bangkok Maru at Haiphong on Mar. 5.

Another Japanese ship, the Saigon Maru of the O.S.K. line, detained at Haiphong in a dispute over mail, was released Mar. 14 after all mail matter had been examined, *Domei* reported from Osaka. A few parcels destined for Germany were reported to have been seized.

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Japan Protests New Sakhalin Incident

A strong protest, the second within the week, was filed Mar. 16 by the Japanese Foreign Office with M. Constantin Smetanin, Soviet Ambassador in Tokyo, in connection with the alleged shooting of two Japanese policemen on the east coast of Sakhalin by Soviet soldiers. Two such violations of Japanese territory had taken place within a period of four days, it was stated. Earlier in the week Japan protested to the Soviet Ambassador against the action of Soviet aircraft in illegally flying over southern Sakhalin on Mar. 11. As announced at the time, Japanese anti-aircraft batteries opened fire on the Soviet machines and forced them to return to the Soviet side of the frontier.

Yakichiro Suma, Japanese Foreign Office spokesman, spoke up on Mar. 15 to deny as "a fabrication, pure and simple," an *Associated Press* report out of Shanghai which stated that fighting between Japanese and Red Army troops had been resumed in the Nomonhan region, on the Manchukuo-Outer Mongolian frontier, as "a sequel to the peace between the Soviet Union and Finland." The frontier region at Nomonhan had been quiet since the truce of last September, it was stated.

Chinese Said Kidnapped In Hungjao District

According to a report in the *Shanghai Evening Post* on Mar. 14, the kidnapping of Chinese in the Hongkew district—denied by the Japanese authorities—has extended to the Hungjao area where 32 Chinese adults were said to have been rounded up by the Japanese and sent to an unrevealed destination. Families of the men, it was stated, received letters that their menfolk were leaving and were given an opportunity of farewell meetings in Hongkew or Wayside. Chinese residing in Hungjao were now so frightened, the report said, that they would not venture on the roads after 6 p.m. or before 6 or 7 a.m. in the mornings.

The wave of alleged kidnapping in Hongkew started after the recent abolition of the pass system and although officially denied by the Japanese was confirmed by individual cases which came to the attention of the newspapers. A Chinese who said he had escaped from Japanese kidnappers reported the existence of a camp in Chapei in which more than 1,000 Chinese were being held, presumably for forced labor somewhere in the Japanese possessions. Others reported the existence of a camp organized by a press-gang in Pootung.

Vegetable and Fruit Dealers' Guild Due

Promoters of a projected Shanghai Vegetable and Fruit Dealers' Guild met at the Astor House Hotel last week to plan their organization, according to the Shanghai *Mainichi*. The Guild, which will be a Sino-Japanese concern, will be capitalized at Yen 500,000, the paper stated.

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92-145

Roy, Ex-Comintern Agent in China, Emerges on India's Troubled Scene

M. N. Roy, prominent Hindu agent of the Comintern in China during the turbulent revolutionary years 1925-27, made headlines this week at a meeting of the Working Committee of the All-India National Congress in Ramgarh, when, introducing an amendment to the majority resolution, he demanded the establishment of a democratic state in India and the formation of a "parallel" government from top to bottom in order to displace the present administration. India, he declared, should sever relations with Great Britain. A delegate named J. Bhardway, representing the Indian Communist Party, moved an amendment demanding the immediate inauguration of a campaign of civil disobedience and resistance to British war activities.

Sent into Banishment

Whether Roy has returned to the ranks of the Communist Party is not known. After the failure of Communist plans in China in 1927 he returned to India, where later he was arrested and sentenced to a long term of banishment in the Andaman Islands, in the Bay of Bengal. His appearance at the Congress committee meeting in India marks his public return to Indian revolutionary politics.

According to a *United Press* description of Mr. Roy's position, the former Comintern agent in China assailed Mr. Gandhi's policy of moderation and said India should fight for immediate independence with every weapon at her disposal. He favored full exploitation of Britain's present difficulties, declaring that there had never been a more opportune time for India to achieve her independence.

Asked whether he wanted to see India develop along the same lines as the United States, Mr. Roy replied in the negative. "There is no democracy in the United States," he asserted. "Everything there is controlled by financiers and industrialists."

Nehru Defends Gandhi

Pandit Jawaharlal Nehru, the *United Press* report continued, came to the defense of Mr. Gandhi. "We must continue to prepare ourselves psychologically and be ready to act when Mr. Gandhi feels that the people are in tune for the independence movement," he said, adding that all factions were agreed on the fundamental principle of India's independence.

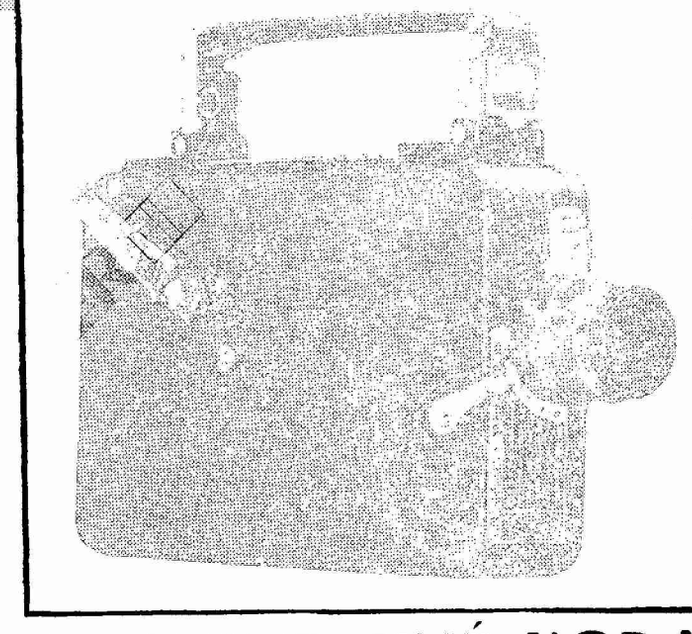
Gandhi was expected to speak before the Congress Working Committee some time this week and to express his unwillingness to launch another civil disobedience campaign until he is assured that violence will not occur. According to *United Press*, he favors pushing the demand for a constituent assembly immediately. The proposed assembly would have 500 members elected by universal adult suffrage.

In an interview with *United Press* on Mar. 16, Gandhi said he was willing to wait for India's "statutory" independence until after the European war. The fight for actual independence, however, should continue unceasingly. He expressed the hope that Britain would treat India as a free nation meanwhile. Asked his attitude toward a non-compromise group in Congress headed by Mr. Subhas Bose, Gandhi replied that there was really no difference in views, as all groups wanted independence as quickly as possible.

When asked whether he would claim statutory independence while Britain is engaged in war, Gandhi replied: "How can I, when Great Britain's own fate hangs in the balance? I want an unequivocal declaration of policy and immediate action so far as practicable. The legal transfer of power must await perhaps the conclusion of the war." Civil disobedience, he added, would be started "when I am sure that, as far as humanly possible, non-violence will be strictly observed."

Subhas Bose, president of the left-wing faction of Congress, in an address on Mar. 19 reported by *Reuter*, denounced Gandhi and the right-wing of Congress, charging them with side-tracking the independence issue by demanding a "fake constituent assembly." If a compromise were made with British imperialism, Mr. Bose said, the Indian left-wing would have to fight not only imperialism, but its "new-fangled Indian allies as well."

MOVIE MAKING WITH THE "Thumbs" left out



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S'hai Telephone Co. Reports Earnings

A net profit of $2,861,747.90 was earned by the Shanghai Telephone Company last year as compared with $948,200 in 1938, it was disclosed at the annual meeting of stockholders held in Shanghai last week. Theretofore incorporated under the laws of the State of Delaware, the Company transferred all its assets and liabilities to a new company, the Shanghai Telephone Company, Fed. Inc., U.S.A., the change-over being effected in order to realize certain benefits which China Trade Act incorporation affords to American enterprises in China.

The earned surplus of the Company was $3,565,206.98 as of Dec. 31, 1938. Out of this sum a dividend of 6.8 per cent was declared last June 3. This accounted for $489,353.50. The balance of $3,075,853 was capitalized, plus a further $386,458.41 to be paid from 1939 earnings.

After deducting the latter sum from the 1939 profit a dividend of 6 per cent was paid last Dec. 27, the latter accounting for $690,852.00, leaving a surplus of $1,784,437.49 to be carried forward to 1940.

During 1939 there was an addition to the system of 16,199 telephones, with the result that at the end of the year there were 79,554 telephones on service, or 19,165 more than the pre-hostilities peak. For the year 1937 the total number of telephone messages handled, amounted to 102 millions; for 1938 to 126 millions and during 1939 to no less than 198 millions. Calls between the Company's subscribers and telephone users in adjacent areas also increased substantially during the year. The total number of such messages handled by the Company amounted to nearly six millions in 1939 compared with one million in 1938. The present volume of traffic is fast approaching the high point for this service reached just prior to the commencement of hostilities.

A Low Return

Commenting upon the considerable improvement in 1939 as compared with 1938, the report of the president of the Company, Mr. James E. Fullam, points out that the revenues, owing to the depreciation of the Chinese dollar, represent a very low return when related to the real value of the Company's plant investment. To meet the indicated demand for telephone service during 1940, in full, would necessitate additional investments equal to more than one-half the investment on which the Company now earns a return, and to finance such additional investments would give the new money a share on all future income and equities which would be entirely disproportionate to the amount of plant represented by such new money.

Consequently, because of those investment considerations and the fact that many new subscribers to the service may prove to be transient users, the Company has felt impelled to follow a policy of more than usual conservatism in preparing expansion estimates. This policy, combined with the retardation of delivery schedules occasioned by the European war, has resulted in the accumulation of a substantial number of orders for telephones which the Company is unable to fill at the moment. It now takes from three to eight months to get an order for a telephone filled.

Bomb Explodes in N.Y. Grand Central Station

A bomb contained in a handbag that had been checked at the baggage room in Grand Central Station, New York, exploded on Mar. 16 and started a fire which destroyed 19 trunks, *Transocean* reported. More than 100 policemen were rushed to the scene, the German agency said, as the authorities had been warned that the station was to be bombed. No hint was given as to the possible identity of the person or organization responsible for planting the bomb in the station, although it was considered significant that the blast occurred on St. Patrick's Day.

Police and harbor authorities in New York, according to a *United Press* report on Mar. 15, are taking special measures to guard the world's two largest ocean-going vessels, Britain's Queen Mary and Queen Elizabeth, following the alleged discovery of Nazi plans to wreck the piers to which the giant ships are moored.

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92-148

North China Said in Grip of Starvation

A STRONG appeal for relief of famine sufferers in North China was published Mar. 17 in Chungking by the Communist daily newspaper, *Hsin Hua Jih Pao*. The actual famine situation in North China, the paper asserted, is far worse than hitherto reported and is traceable to last July when, during the rainy season, the Japanese Army broke the dykes of the principal rivers in Hopei in an attempt to flood out Chinese guerrillas holding positions in various parts of the province.

Breaking of the dykes, the paper continued, resulted in floods in 36 of the 51 hsien of southern Hopei. Flood waters covered 6,000,000 acres and 3,000,000 people were turned into refugees, while property destroyed totalled $1,000,000,000 in value. This was the greatest mass tragedy in Hopei in 60 years, the Communist journal said.

The Worthless Currency

A *Reuter* report from Peiping on Mar. 16 attributed the current hardship in North China, in part, to the worthlessness of puppet Federal Reserve Bank currency and catastrophic decline of the legitimate Chinese dollar, which makes Australian and Canadian flour, paid for with foreign exchange, an "inconceivable luxury for most of the poorer class Chinese." Flour is the staple food in North China. In Peiping, the agency said, poorer families have cut down their meals to one daily. A foreign missionary was quoted as saying: "Wait a month or two and you will see the results of this under-nourishment on the population. It is bad enough in Peiping. God knows what it can be like in the country districts."

Somehow or other, the *Reuter* report continued, the country folk will have to live without gathering in a fresh crop until September. Migrations are taking place from some districts. The position is made more desperate by the fact that the peasants have no foodstuffs in reserve, these having been commandeered either by Chinese guerrillas who live off the countryside, or by the Japanese Army.

Some Relief Expected

Partial relief of the acute food situation is expected following completion of arrangements for importing large quantities of flour from Australia, Japan and Manchuria. Some 3,287,000 bags are expected to be available for the North China populace within the next couple of months. Of this total, 1,000,000 bags are to come from the British and French Concessions in Tientsin, the authorities of which are reported to have agreed to their removal following negotiations with the Chinese puppets. Tientsin last week received 63,000 bags of Japanese flour, while Peiping is expecting 750,000 bgas of Australian flour, 300,000 bags of Japanese flour, and 300,000 bags of Manchurian flour within the next two months. In addition, 74,000 piculs of oats will be shipped from Honan and Shansi to be made into flour in Tientsin and Peiping.

S.M.C. Cuts Down Jail-Birds' Diet

In a fresh and perhaps unique effort to pare down its budget, the Shanghai Municipal Council announced on Mar. 18 that during an experimental period of three months a reduction in the quantity of rice furnished in the diet of Chinese prisoners at the Ward Road Jail would be put into operation. The effect on the 8,500 prisoners is to be carefully studied to see whether it can safely be continued after the experimental period, it was stated.

Preliminary estimate of the cost of feeding the Chinese prisoners in 1940 was $79,000 per month, but actual costs from Jan. 1 showed a steady increase above this figure and it is now estimated that the cost will be $135,000 per month. Rice, the price of which is extraordinarily high, accounts for the major part of the expense. Hence the decision to cut down the prisoners' diet experimentally.

A tragic incident occurred last Sunday morning when a hungry crowd, waiting outside an alleyway at the corner of Kiukiang and Kwangse Roads to buy cheap rice, surged forward and trampled a nine-year-old Chinese girl to death. An aged mother had brought the tot to get a double portion of rice. She fought her way through the crowd to get to the child. As she lifted her from the ground the child was bleeding from the nose and ears, still clutching a bag of rice in her hand. The mother carried the lifeless body to Louza Police Station. "This is my daughter Ting Dah-man," she told the officer in charge. "She is dead."

Argentine-Japan Trade Agreement is Signed

A trade understanding between Japan and Argentina was officially announced by the Tokyo Foreign Office on Mar. 18, the accord having been signed at Buenos Aires on Mar. 15 by Mr. Iwataro Uchiyama, Japanese Minister to Argentina, and Senor Jose Maria Cantila, Argentina Foreign Minister. It provides that Japan shall purchase annually Yen 30,000,000 worth of major Argentine products, including wool, meat, casein and wheat, while Argentina shall grant foreign exchange for the importation of Japanese goods equivalent to the amount of Argentine goods exported to Japan, and also apply to imports from Japan an exchange rate which shall not be less favorable than that applied to goods imported from any other country.

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No. 1644.

Shanghai, 19th March 1940.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 20

Severe fighting reported near Nanning between Chinese troops and Japanese forces protecting the withdrawal of a considerable Japanese force from Nanning to Yamchow, according to Chinese dispatches. The Japanese suffered severe losses as a result of reverses in this area, the dispatches claimed.

Food situation in Peiping and Tientsin becomes more serious. The price of rice soared to $100 a bag; flour sold at $20 per bag. Several flour riots broke out in Tientsin.

Dire predications for the fufture of the Japanese venture in China and the whole of Japan's future as a nation were made by a German paper, the **Stuttgarter Neue Tageblatt.** "The year 1940 for Japan," the paper said, "will be a year of decisions weighty with consequences." The United States said bringing heavy pressure to bear on Japan and as conditions for renewal of the American Commercial Treaty with Japan, Washington reported likely to demand not only the unconditional evacuation of all China but also the return of Manchuria to China.

*
**

February 21

Japanese troops concentrated on the Nanning-Pingyang highway counter-attacked Chinese forces in that region on Feb. 19 but were repulsed, Chinese reports stated. Chinese military spokesman denied press reports that Nanning had been recaptured. He said that Chinese troops had not yet begun an offensive against Nanning.

The Japanese Lower House approved of the budget estimates of Yen 10,360,000,000.

From Sept. 22, 1939 to Jan. 31, the Chinese Women's War Relief Association had received contributions in various currencies amounting to more than $6,000,000, it was announced in Chungking. The donations which were made by public organizations in China and abroad were mainly used for making winter clothings for Chinese soldiers at the front.

U. S. Ambassador Nelson T. Johnson arrived at Kunming en route to Chungking.

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February 22

Six-year-old Chinese boy, La-Mu-Teng-Chu, who was discovered in the village of Chichiachuan, 20 miles east of Hsining (capital of Chinghai or Chinese Kokonor), was enthroned as the 14th Dalai Lama at Lhasa, capital of Tibet, Gen. Wu Chung-hsin, special envoy of the National Government, officiated at the ceremony.

About 25,000 Japanese troops were withdrawan from Nanning to Yamchow between Feb. 15 and 20, but estimated that three and a half Japanese divisions still remain in Nanning, Chinese military spokesman stated. Most of the retiring Japanese embarked for Canton after reaching Yamchow, the spokesman added.

In east Chekiang, the Chinese claimed that all Japanese troops, who crossed the Chientang River, had been dispersed as the result of a Chinese counter-attack on Feb. 20.

Resignation of Wang Keh-min as "Chairman of the Provisional Government" rumored in Peiping.

The existence of a secret treaty or proposed treaty between Britain and Japan covering the Far Eastern situation rumored in American congressional circles. The reported treaty said to provide that Britain give Japan a free hand in China on the condition that Japan keep her hands off British possessions in the Far East.

*
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February 23

The Japanese Premier, Admiral Yonai, admitted in the Diet that the final solution of the China problem would take considerable time. He emphasized the need for replenishing national defences and fostering economic resources.

Unable to withstand Chinese pressure, Japanese troops in east Chekiang withdrew to Hsiaoshan from points along the railway south and east of the city, according to Chinese war dispatches. The casualties suffered by the Japanese since their crossing of the Chientang River on Jan. 21 totalled 2,500, the dispatches asserted.

Japanese Army spokesman claimed that three Chinese divisions had been dislodged from their positions in the hills of eastern Chekiang, south of Hsiaoshan, between Feb. 14 and 18.

Japanese troops in the Nanning area suddenly moved westward on Feb. 21 along the highway extending west to Chingsi, Chinese reports stated.

The American Ambassador, Nelson T. Johnson, now in Kunming en route to Chungking, yesterday conferred with Governor Lung Yun of Yunnan for 30 minutes on unrevealed subjects.

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February 24

Approximately 2,000 Japanese troops, who were driving toward Funan, 35 miles southwest of Nanning, were meeting stubborn Chinese resistance and reportedly defeated at several points. Meanwhile, Chinese troops continued to press southward toward Nanning along the Nanning-Wuming highway.

Admiral Yonai, Japanese Premier, defined the "New Order" in East Asia as meaning the overthrow of the Chiang Kai-shek Government, establishment of good neighbor relations and economic cooperation between Japan, "Manchukuo" and China in a joint effort to strengthen their defense against the Comintern.

The British Foreign Office denied (yesterday) a **Domei** agency report that the British Government had reached an agreement with the Japanese Government for the handing over of the Chinese silver in the Tientsin British Concession to a neutral bank.

Sir Victor Sassoon, Shanghai's leading financier now visiting in New York, predicted that the Japanese people would soon revolt against the military rule. The Japanese people were becoming thoroughly sick with the Army's attempt to conquer China and they "will turn against the Army," he declared.

The United States House Banking Committee yesterday approved the bill increasing the capital of the Export Import Bank by US$100,000,000 in order to permit loans to China and Finland.

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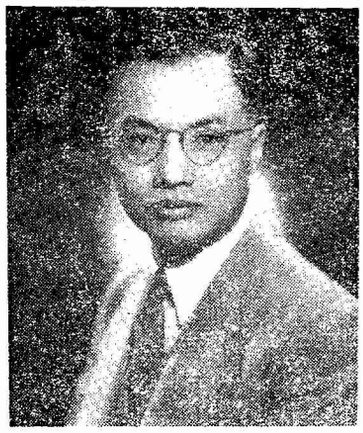
Who's Who in China

Chow Chi-pang, economist; born at Ningpo, Chekiang, 1891; B. A. St. John's University, Shanghai, 1913; B.S. in Econ. University of Penssylvania, U.S.A., 1916; M.B.A., Harvard University, 1918; Chief Manager,



周啓邦

Chow Chi-pang (Chou Chi-pang)

Chinese Students' Monthly in the United States, 1918-19; Head, Foreign Department, Hwai Hai Bank, Shanghai, 1920-23; Counsellor, Kiangsu Bureau of Foreign Affairs, 1922; Professor of Business and Economics, Shanghai College of Commerce of the Southeastern University and Shanghai Baptist College, 1922-28; Secretary, Ministry of Finance, Nanking, 1928; Secretary, Kemmerer Commission of Financial Experts, 1929; Vice-Director, Office of Financial Experts, Ministry of Finance, 1930; Secretary, National Flood Relief Commission, 1931; Secretary, Hwangho Flood Relief Commission, 1932; Expert, National Economic Council, 1933; Research Economist, Central Bank of China, since 1934; address: Central Bank of China, Shanghai.

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February 25

China's peace conditions in the present hostilities with Japan suggested in an article in the **Ta Kung Pao** in Chungking. The paper outlined the following six "immutable" principles for a readjustment of Sino-Japanese relations:

1. Integrity of China's territorial sovereignty, including the return to China of Manchuria and the leased territories, Dairen and Port Arthur.
2. Abolition of all unequal treaties between the two countries, since the Sino-Japanese war of 1894.
3. Japan shall have the same equal rights as any other foreign powers in capital investment in China. All Japanese investments shall be fundamentally reorganized in accordance with Chinese laws.
4. Abrogation of Japan's extraterritorial rights in China.
5. Racial self-determination for Korea and Formosa.
6. Joint efforts to secure fair treatment for East Asiatic peoples in the family of nations.

The total of overseas contributions to China, since the outbreak of the Sino-Japanese hostilities, estimated at Chungking at $160,000,000 (Chinese currency) averaging more than $5,000,000 a month. The main share of the contributions comes from South Asia.

Chinese Government spokesman categorically denied Japanese press reports that the National Government was seeking peace with Japan through Wang Keh-min or Wang Ching-wei.

*
**

February 26

Despite continued heavy fighting in the Nanning area during the past week, no important changes in Chinese and Japanese position were reported. The Japanese failed in their attempt to recapture Wutang, 17 miles northeast of Nanning.

Chinese forces recaptured Patzepulung, a strategic point on the highway east of Wuyuan, according to a Chinese report from the West Suiyuan front.

In addition to huge appropriations for current military expenditures, notably in connection with the so-called China Incident, which during the coming year alone total over Y6,800,000,000, the Japanese Army and Navy plan this year to press for supplementary votes totalling Y5,950,000,000 to carry out a fresh strengthening and arms replenishment program spread over the next five years, in continuation of the schemes which have been under way since 1937.

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February 27

Japanese efforts to drive further northeast of Nanning collapsed at noon yesterday and resulted in the Japanese retreating in disorder, the **Central News Agency** alleged.

More than 300 Japanese were allegedly killed when a military train en route to Samshui from Canton was derailed and the 500 Japanese troops aboard the train were ambushed recently, by members of the Chinese "Railway Destruction Corps," according to reports received in Chungking.

Sumner Welles, U. S. Under-Secretary of State, now visiting in Rome as personal representative of President Roosevelt, was reported to have told Premier Benito Mussolini that the United States would not recognize the proposed Wang Ching-wei regime in China.

Liu Chung-ying, 41, a native of Ningpo, described as a minor "civic politician" in Shanghai, was assassinated. Motive behind the killing believed political as Liu was strongly suspected to be a Wang Ching-wei supporter.

China's exports through Hongkong last year totalled 302,000,000 Hongkong dollars, or an increase of 56,000,000 Hongkong dollars over the 1938 figures, it was officially revealed in Chungking.

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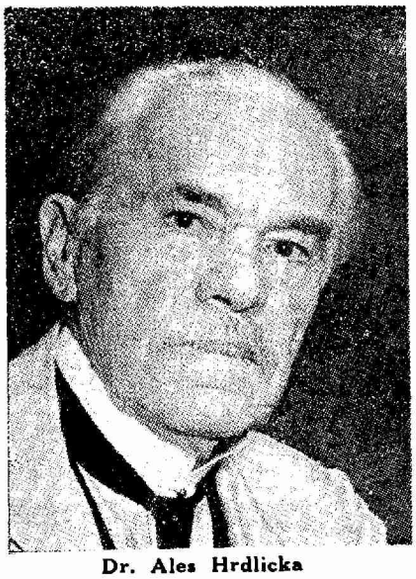
Men and Events

The theory, long advanced by Dr. Ales Hrdlicka, Harvard anthropologist, that the American Indians are of Asiatic origin, is now being disputed. Dr. Hrdlicka always argued that Asiatic tribes crossed a land bridge which once connected Siberia and Alaska at Bering Strait.

Anthropologist



Dr. Ales Hrdlicka

He thought this migration took place between 4,000 and 5,000 years ago and that the tribesmen originated in Mongolia and Tibet and had been pushed toward the Arctic by some political development on the Asiatic continent. Recently evidence has been found of earlier human inhabitants of the North American continent, one group being known as the "Folsom" men, named from flint weapons found originally at Folsom, New Mexico. Many of the flint weapons have been found sticking in the ribs or vertebrae of now extinct fossil bison. None of the skeletons of the wielders of these early weapons have ever been found, but Dr. Albert Ernest Jenks of the University of Minnesota recently examined the fossil of a human which had been preserved in what had been a Glacial Age lake. He pronounced the fossil that of a 15-year-old girl who probably had lived 20,000 years ago, thus pre-dating Mr. Hrdlicka's Oriental Indians. According to *Time*, other Harvard anthropologists have examined fossils found at Lindenmeier, Colorado and pronounced them 25,000 years old. Dr. Hrdlicka denounced the recent finds as "delusions."

*

Dr. T. Z. Koo of Shanghai, secretary of the China section of the World's Christian Student Movement, in a radio address in New York on March 17, urged American students to aid the students of 60 Chinese universities and colleges which have been partly or wholly destroyed since the outbreak of Sino-Japanese hostilities in 1937. Dr. Koo spoke at an Easter Day service at Radio City Music Hall.

More than 300 Chinese and Americans attended the first anniversary of the Sino-American Cultural Society in Chungking recently. Dr. H. H. Kung, Vice-President of the Executive Yuan and Chairman of the Society, presided at the meeting.

*

Wilber Judd, Executive Secretary of the Navy Y.M.C.A., and Mrs. Judd, are shortly departing for the United States on leave. In addition to his work with the Navy Y. Mr. Judd has also served as secretary of the two American advisory committees which have had charge of the distribution of American relief funds to Chinese civilians.

*

Alfred Morley, who has been editor of *The Shanghai Times* for the past 8½ years, has retired. Members of the staff gave him a farewell reception on March 14, addresses being delivered by R. I. Hope, Assistant Editor, and Paul Palamountain, News Editor. Mr. Morley did not announce his future connection, but said he would be prepared to give the staff any needed advice and help which lay in his power.

*

The noted British philosopher and mathematician, Bertrand Russell, who once lectured in China and attracted international attention by advocating companionate marriage, is now lecturing at the University of California in Los Angeles. Mr. Russell was a pacifist in the first World War, but recently declared that Europe's problems could no longer be solved without war.

B. F. Schaberg, former director of physical education at the National Normal University, Peiping, has been appointed Physical Director of the Foreign Y.M.C.A. in place of L. F. Bright, who is departing for the United States on leave. Mr. Schaberg accompanied the athletic team of the University of Missouri to the Berlin Olympiad, following which he came to China and joined the faculty of the school in Peiping. After the Japanese occupation of Peiping, Mr. Schaberg followed his school to temporary quarters in Sian, later coming to Shanghai.

*

Herr Fritz von Thyssen, well-known German industrialist and steel manufacturer, who fled from Germany in November last year, has lost his citizenship, according to recent statement of Dr. Wilhelm Frick, Home Minister. The ruling also cancelled the German citizenship of Herr Thyssen's wife, the order being effective from Feb. 4. Thyssen's fortune, estimated at about 200,000,000 Reichsmarks, was ordered confiscated. Thysseen was one of the original promoters of the Nazi Party and one of its largest supporters. He was a Deputy of the Reichstag of Greater Germany, but for some reason fled from the Reich in November, 1939 and refused to return, despite threats and pleas from Berlin. The German Government, upon Hitler's orders, kept the Thyssen incident secret, but when his citizenship was cancelled and his property confiscated, it became known.

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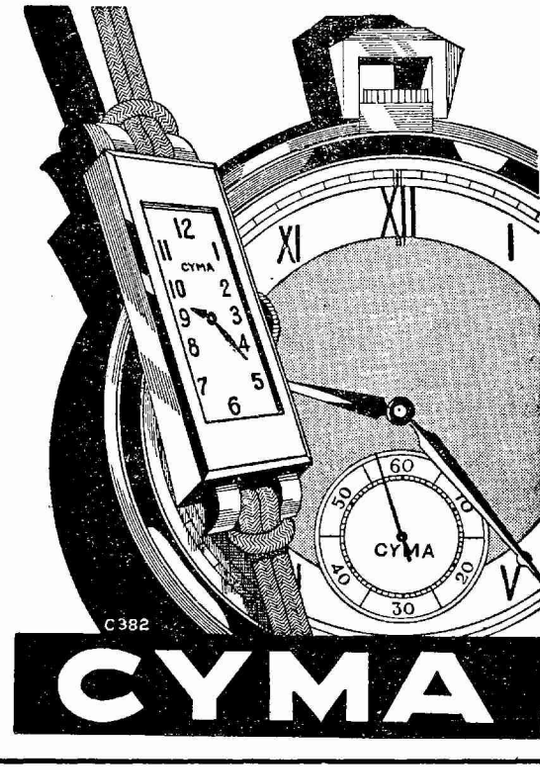

Germany's famous pocket battleship, the Graf Spee, which met an inglorious end when scuttled by her crew following the battle off Rio de la Plata on Dec. 13, may finally wind up as scrap iron in a Japanese munitions plant. The German Ambassador, Herr Otto Langmann, at Montevideo, signed a contract on March 9 with a provision importer named Senor Helguera, for the sale of the wreckage as scrap. Neither the price nor future destination of the metal was disclosed.

*

The Japanese authorities have decided to send all appeal cases from their Consular Court at Shanghai to the Osaka Court of Appeals, according to a report in the Japanese paper *Tairiku Shimpo* on Saturday, March 9. Heretofore all appeals from the local court were sent to the Nagasaki Court of Appeals. The reason for the change, according to the account, was that traffic facilities between Shanghai and Osaka were superior to travel between Shanghai and Nagasaki or between Shanghai and Tientsin, where another appeal court is located. The great increase in the Japanese population here has expanded the work of the local court as well as the number of appeals to other courts. The Prefecture of Nagasaki recently opened an office here to look after the large number of residents of that area who have come to Shanghai.

*

The American Association and the American Chamber of Commerce will be hosts at a farewell dinner for Clarence E. Gauss, American Consul-General, on the evening of Saturday, March 30, at the Columbia Country Club. Mr. Gauss will depart from Shanghai early in April for Washington and after a short stay at the Department of State he will depart for Australia where he has been appointed America's first Minister. Mr. Gauss will also be guest of honor at a dinner given by the American University Club on the evening of March 27 at the American Club. Foreign correspondents will also be host at a farewell luncheon for the retiring Consul-General on Thursday, March 28, at the American Club. Mr. Gauss probably will arrive in Canberra, capital of Australia, about the middle of July.

A recent memorial service in Tokyo revealed that 21 Japanese newspapermen have been killed since the beginning of the Japanese invasion of China in 1937. Included in the group were five men connected with the *Domei* agency.

*

Mrs. Inez Mabel was granted a divorce from her husband, George E. Baxter, by Judge Milton J. Helmick, in the U. S. Court for China on March 15. Mrs. Baxter, who did not ask for alimony and paid her own court fees, said that she and her husband had separated voluntarily in Manila on July 11, 1934 and since had lived apart. Mr. Baxter, who is connected with *United Press* at Hongkong, raised no objection to the divorce action.

*

Considerable curiosity has been aroused by the failure of the Du Pont Company to place on the market generally the new artificial silk substitute, popularly known as "Nylon." Up to the present, stockings made of the new thread, have only been placed on sale in Wilmington, Delaware, headquarters of the E. I. Du Pont de Nemours Company. Recently the Du Pont interests stated that Nylon chemicals would also be used for the manufacture of greaseproof paper containers, non-cracking patent leather, waterproof clothing. Another concern, the Carbide and Chemicals Corporation, has also begun manufacture of a somewhat similar product known as "Vinylite," which is used for various products including babies' diapers, aprons, shower curtains, waterproof sheeting, women's hats, etc.

N. J. Deegan of the National Aniline and Chemical Company is departing shortly on a business trip to the Philippines, Singapore and Hongkong, following which he and Mrs. Deegan will proceed to the United States on leave.

*

The Japanese industrialist and promoter, Yoshisuke Aikawa, who went to Germany several weeks ago, has continued his stay in that country. Likewise he has continued to receive honors at the hands of high Nazi officials. On March 14 he was guest of honor at an official reception given by the German-Japan Society at the Hotel Adlon. The reception was attended by many prominent Germans and Japanese. Since his arrival in Germany six weeks ago he has held conferences with the Fuchrer, Field Marshal Hermann Goering and the Foreign Minister, von Ribbentrop. Mr. Aikawa's purpose in visiting Europe, according to the announcement, was to inspect the heavy industries of Germany, Italy and Switzerland. Mr. Aikawa was scheduled to depart from Berlin on March 16 on his return to Manchukuo where he is president of the Manchurian Industrial Development Corporation, a holding company formed by the Kwantung Army from industries formerly owned by the South Manchuria Railway. Mr. Aikawa is popularly known as the "Sam Insull" of Manchuria, the reference being to the famous Chicago promoter, whose holding company, composed of electric power concerns, failed several years ago, causing vast losses to stockholders. Insull fled to Greece but was arrested and returned to the United States for trial.

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New Books of Interest in the Far East

Germany and China

HUMANE ENDEAVOUR—Story of the China War by Haldore Hanson, New York, Farrar & Rinehart.

A few weeks ago a German, Dr. Paul Beck, committed suicide in Chungking. The brief telegraphic notice said that Dr. Beck had killed himself because of despondency over the death of his friend and business associate, Herr Otto Wolff, which had occurred in Germany a few weeks previously.

This notice was the sort of cryptic news report which often conceals more than it discloses—and such was the case in this instance.

The firm of Otto Wolff, headed by the German banker of that name, probably had more unfilled business contracts in China than any other German concern. In 1937, year of the outbreak of the China war, Otto Wolff loaned China $40,000,000 for railway construction. At the exchange rate then prevailing, this contract alone amounted to more than U.S.$12,000,000. The contract involved construction of the important railway connecting Shanghai with Canton by way of Hangchow, Nanchang and Changsha. The road had only been opened a few days before the Japanese launched their invasion in 1937.

The firm of Otto Wolff also was heavily involved in the supply of German munitions to China, which in 1938 amounted to nearly U.S.$6,000,000. Its business undoubtedly contributed much toward Germany's favorable trade balance with China, which in 1936, the year before the Japanese invasion, amounted to U.S.$32,000,000. Germany was creeping up on the British, who occupied second place, next to the Americans, who topped the list of nations trading with China.

But Hitler and Nazism were not content to await the coming of trade prosperity by normal processes. Hitler had plans for swinging China into the Berlin-Tokyo-Rome Axis, then in process of formation.

First, Japan demanded the withdrawal of some 100 German military advisers from Gen. Chiang Kai-shek's headquarters. It was largely due to these advisers that the fat munition contracts were going to Germany, but Hitler, intent on his far-reaching domestic and international political schemes, responded to Japanese demands and called the German advisers home—much to the elation of the Japanese. It was rumored in the Chinese capital that the Japanese Ambassador in Berlin, an appointee of the Japanese Army, had wormed Gen. Chiang Kai-shek's defense plans out of the German Ministry of War, to which it had been transmitted by the German advisers on the Generalissimo's staff.

After the outbreak of the Sino-Japanese hostilities, which paralyzed German industrial development in China, many German firms turned to Manchukuo, which Hitler had recognized. The Japanese were anxious to obtain German machinery for war plants the Kwantung branch of the Japanese Army was building in connection with its program for waging war on the Soviet Russians. The banking firm of Otto Wolff again entered the picture and loaned Manchukuo $40,000,000 to finance the Japanese munition plants. But since Germany was short of cash and Japan had little real money, the Kwantung Army solved the problem by trading Germany soya beans for bullets—or at least the machinery to manufacture bullets.

But the fates again intervened—war broke out in Europe, making it impossible for Japan to deliver the soya beans or for Germany to deliver the munition plants.

The suicide of Dr. Paul Beck in Chungking, closely following the death of Herr Otto Wolff in Germany, brought to a tragic end Germany's second desperate attempt to stage a come-back in the China market.

The subject is significant because it illustrates in graphic manner the terrible price which German businessmen, particularly those interested in trade in China, have paid for Hitler's madness. Germany was well on the way to a leading place, possibly next to the United States, in the trade of China, but forfeited all of it because of a fanatical attempt to achieve world domination.

The subject of Hitler-Nazi politics in the Far East, with reference to China and Japan, is a subject of timely interest in view of the present crisis between America and Japan. It is covered in Haldore Hanson's new book, which he has named "Humane Endeavor," a happily chosen title because of Japan's protestations that her militarists are conducting a "Holy War" for the creation of a "New Order" in East Asia. The phrase "Humane Endeavour" is taken from the Mikado's song in W. S. Gilbert's opera, "The Mikado."

Hitler's recent dispatch to Tokyo of a number of high diplomatic and military officials has again stimulated interest in the subject of Nazi-Nippon relations. It is rumored that Hitler is again trying to mediate in the relations of Japan and the Soviets, his object being to help his partner Stalin out of a bad hole by relieving him of the menace of a Japanese attack on Russia's Far Eastern territories. This would release Russia's best troops, now tied up in Siberia, for adventures on the European stage. Mr. Hanson is of opinion that the German-Soviet Non-Aggression Pact, signed Aug. 21, 1939, gave Japan her worst set-back since 1896 when Germany, Russia and France intervened to block Japan's collection of spoils after defeating China in the first Sino-Japanese war.

One wonders whether Hitler's attempt to mediate in the relations of Japan and the Soviets will turn out any better than his blundering attempts to compose the differences between Japan and China and swing China into the Axis camp.

In connection wth his description of the burning of Changsha, whch he describes as the result of a political plot, Mr. Hanson discloses the first logical account of German-Japanese intrigue with the Chinese politician

Wang Ching-wei, who deserted his government and is now working with the Japanese Army at Shanghai and Nanking. Hanson quotes a report from a Japanese writer who claimed that the burning of Changsha, a city of a half-million people, was an attempt to split the United Front and prepare the way for a compromise with Japan.

According to Hanson's account, Gen. Chiang Kai-shek had issued standing orders that when Japanese occupation of any Chinese city was inevitable, all government buildings and developments which might be of use to the enemy should be destroyed. This program, a war measure originally advocated by Wang Ching-wei, came to be known as the "Policy of the Scorched Earth."

The orders held good in the case of Changsha as they had in the case of Hankow, Canton and other large cities captured by the Japanese. But in the case of Changsha the city was burned deliberately when the enemy was more than 100 miles away; the city still remans in Chinese hands today. Immediately after the fire, Wang Ching-wei, despite the fact that he had originated the "scorched earth" policy, made a speech in which he charged Chiang Kai-shek with full responsibility for the burning of Changsha. Simultaneously an article appeared in the Japanese *Oriental Economist* which took great pains to point out that Wang Ching-wei had nothing to do with the fire.

The facts may never become known, but General Chiang Kai-shek went to Changsha immediately after the fire and held a court-martial which imposed a death sentence on three military officers, including the local garrison commander and chief of police. The garrison commander who was executed, Gen. Feng Ti, was a prominent member of the Blueshirts and a notable anti-communist. It was disclosed at the court-martial that Chow En-lai, a prominent Communist leader, and several hundred communist workers were in the city at the time of the fire. The fact that a Japanese paper had published a sensational story that 800 communists had been burned to death also was regarded as significant. It turned out, however, that they had managed to escape by fleeing to the river and wading upstream for several miles.

The man who actually gave the orders to burn Changsha, Gen. Feng Ti, is dead, but to quote from author Hanson, then a correspondent for the *Associated Press:* "It is perfectly possible that agents of Wang Ching-wei arranged to have the fire ignited prematurely," in order to place the blame on the Generalissimo.

A further disclosure or explanation of the underlying causes of the Sino-Japanese hostilities proves equally interesting reading in Mr. Hanson's book:

> "The Japanese Army staff in Tokyo, after consulting with leaders of heavy industry, probably decided in the spring of 1937 that the time had come for the occupation of China's five northern provinces. The civil authorities of Japan were not informed. The campaign was planned for August or September. No opposition was expected from Chiang Kai-shek if the fighting were restricted to North China and completed within a few months.

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VOLUME TWO

Covers the period of Sino-Japanese hostilities on all fronts from January 1, 1938. This volume, with No. 1 covers the first full year of the conflict on the battlefields as well as diplomate fronts.

VOLUME THREE

Covers the period of Sino-Japanese hostilities on all fronts from July 8, 1938 to December 31, 1938. In addition, there is a day-to-day record of the dramatic clash on the Korean border between the forces of Imperial Japan and the Soviet Union, July 15 to August 12, 1938.

VOLUME FOUR

The fourth of the series completes two full years of Sino-Japanese hostilities. It covers the period from January 1, 1939 to July 6, 1939 and contains full details of Wang Ching-wei's desertion of the national government and affiliation with the Japanese army at Shanghai.

Vol. Five, now on the press, will cover the war period from July 1, 1939 to December 31, 1939.

THESE BOOKS ANSWER MOST OF THE QUESTIONS PERTAINING TO DATES OF BATTLES AND DEVELOPMENTS PERTAINING TO THE SINO-JAPANESE HOSTILITIES AS WELL AS CHINA'S RELATIONS WITH AMERICA AND EUROPE.

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THE CHINA WEEKLY REVIEW

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In the United States Court for China

IN RE: ESTATE OF THOMAS JOHN McENTEE, Deceased.

Cause No. 4472
Special Proceedings No. 2351
NOTICE
Filed at Shanghai, China,
March 14, 1940.

WILLIAM T. COLLINS
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the Estate of Thomas John McEntee, deceased, to present the same with vouchers to the undersigned on or before Sept. 15th., 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

H. D. RODGER
Hewitt Douglas Rodger,
Administrator of the Estate of Thomas John McEntee, deceased.

Messrs. Rodger & Wiener,
181, Kiangse Road,
11th floor,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re: Last Will and Testament of MABEL MAY REED, Deceased

Cause No. 4453
Estate No. 2332
Filed at Shanghai, China,
March 14, 1940.
NOTICE

WILLIAM T. COLLINS
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Mabel May Reed, deceased, to present the same with vouchers to the undersigned on or before 27th day of September, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. A. REED
William Albert Reed, Executor,
c/o Leighton Shields, Attorney,
181 Kiangse Road,
Shanghai, China.

Shanghai, China.

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By the spring of 1938, the northern provinces could be pacified, 1,000,000 Japanese troops transported to the continent, and the stage set for a swift attack upon Soviet Russia. The North China campaign was to be merely a stepping stone toward Japan's real enemy—Russia. The Lukouchiao (Marco Polo Bridge) incident was organized by a coterie of lower Japanese officers, actually without orders, but confident of support from the high command. Young men are usually promoted in the Japanese Army for showing such initiative."

But the Japanese officers who plotted the Marco Polo Bridge incident got caught in a Chinese trap and so bungled the job that it was rumored in Peiping that some officers in the Kwantung branch of the Japanese Army at Mukden, who had plotted the more successful Mukden incident (blowing up of S.M.R. tracks in the fall of 1931), sent a telegram to the Japanese command at Peiping reading: "If you need any advice in future incidents come up to Mukden for a week-end."

As now known by a skeptical, sarcastic and disgusted world, the Japanese army made the fatal mistake of miscalculating Chinese nationalism and China's ability to put up united political and military resistance.

The Japanese Army was accustomed at the beginning to send dispatches to the home newspapers reading, "The Chinese people welcomed us as saviors from their oppressive Nanking Government." But the Japanese military authorities no longer send such messages, as the Chinese people, even the lowliest coolies, are contemptuous of the "foreign dwarfs" who are invading and despoiling their country. As author Hanson remarks, "Little ripples led to big waves and big waves to a tidal sweep that today has grown into a major war which threatens to overturn two ships of state."

There is another point worth mentioning in this review of an unusually interesting book by an unusually observing and energetic *Associated Press* reporter:

"Contrast the situation in the Philippines—where there are few complaints on the part of the people, where native capitalists put up factories to compete with American plants, where schools are intensely nationalistic and where the wives and daughters are respected by foreigners—to the picture of Japanese troops in China. Chinese peasants, usually unconcerned with politics, are up in arms because the Japanese invaders have burned home and granary; factories have been destroyed or confiscated, warehouses seized and efforts to undermine Chinese currency have alienated the possible support of Chinese capitalists. But by far the greatest Japanese blunder has been the attempt the stamp out Chinese nationalism and substitute the ancient fendalistic philosophy of Confucius designed to cause people to 'obey their rulers'. Imagine the feelings of a Chinese student who is compelled by Japanese soldiers, connected with a puppet regime, to visit a Confucian shrine and bump his head five times upon the floor."

This leads Hanson to conclude that "politically the Japanese are defeated. A bossy invader has come to swords' points with a proud nation, the terrorism has only widened the gulf between the two national temperaments. Japanese soldiers are still trying—in this modern age—to carry out the mediaeval military philosophy of Nobunaga: "I will kill the nightingale if she sings not in tune."

Hanson's book should be listed near the very top of the new crop of books on China now being written by newspapermen and women who helped cover the war. Young Hanson had two advantages over most war reporters: First he possessed energy, courage, curiosity and friendly, sympathetic interest in the Chinese people; second he possessed a bicycle which he used in riding about the Chinese countryside, often behind the Japanese and Chinese lines, trying, and succeeding, in finding out what was going on. In other words while some of the correspondents covered the war from the hotels and clubs in the foreign settlements, young Hanson, who had learned to speak Chinese, was riding about the countryside finding out how the Chinese people lived and what they were doing to block the invader.

He was the first to penetrate behind the Japanese lines and find out about the guerrilla organization in the rear of the Japanese war front in North China. He was one of the first (with Edgar Snow) to visit the Communist base at Yenan, Shensi. He described what really happened when the Japanese captured, sacked and raped Nanking.

After studying Chinese at Peiping, Hanson began writing about his trips into the countryside. His articles were published in *The China Weekly Review*, *North-China Daily News* and other papers. Finally, when the war came on he joined the *Associated Press* and worked in Peiping, Chungking and elsewhere. He is still with the *A. P.* in the Chicago office. He also found time to teach in a Chinese university and once served as secretary to a Chinese official.

He started to China from a college in Northfield, Minnesota, where he had written a graduation thesis on Oriental diplomacy. Having only $125, which he had borrowed from a friend, he made his way to the coast and stowed away on a Japanese ship at San Francisco. After spending some time in Japan, he went on to Peiping, from which point he started his free-lancing trips through the interior. He returned to the United States in 1939 and wrote his book which the publishers state "is the first book to give a complete account of the war in China from the beginning to the present time—if not to the end—which is not yet in sight. His book covers most of the timely topics such as "Dr. Kung's War Chest," "Japan's Mongolian Wedge," "China's Hit and Run Army," "Adventuring with the Famous Marine Intelligence Officer, Capt. Evans F. Carlson." "Views of Mao Tze-tung, China's Famous Red Leader," "General Chiang Kai-shek's Army," "China, in the Lap of the Powers," and finally, "Tokyo in 1939."

B.J.

P. S. The copy which the reviewer was privileged to read contained a private dedication by the author "To Morris Harris—for the greatest boost I ever received in the finest news agency." Mr. Harris is manager of the *Associated Press* office in Shanghai.